



August 31, 2024

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: Proposed Rights Issue of Equity Shares

Dear Sir/Madam,

As earlier intimated, the Board of Directors of our Company have approved the Rights Issue of 8,30,59,434 Equity Shares of Re. 1/- each for cash at a price of Rs. 6/- per Equity Share (including premium of Rs. 5/- per Equity Share) aggregating to Rs. 4,983.57 lakhs in the ratio of 7 Rights Equity Shares for every 23 fully paid-up Equity Shares held by the existing equity shareholders on the record date i.e August 28, 2024. The Company has already received in-principle approval from your Exchanges (BSE on July 18, 2024 and NSE on July 10, 2024).

In this connection, please find attached herewith the copy of Letter of Offer ("LOF") and Abridged Letter of Offer ("ALOF") each dated August 28, 2024 and the Application Form/Common Application Form ("Form") for the proposed rights issue.

We request you to upload the same on your website for dissemination to the public.

Following are the activities for the said Rights Issue:

Issue Opening Date – September 12, 2024

Last date for market renunciation - September 24, 2024

Issue closing date# - September 27, 2024

or such date as the Board of Directors of the Company may decide subject the issue being not kept open for more than 30 days.

Thanking you,

Yours truly,
For Vardhman Polytex Limited

Ajay K. Ratra
Company Secretary

Encl: as above



VARDHMAN POLYTEX LTD.

Office: Vardhman Park Chandigarh Road, Ludhiana - 141123, Punjab, India;
Telephone: +91 – 161 - 6629888; **E-mail:** info@vpl.in; **Website:** www.vpl.in;
Contact Person: Mr. Ajay K. Ratra, Company Secretary and Compliance Officer
Corporate Identification Number: L17122PB1980PLC004242

Our Company was incorporated as “Punjab Mohta Polytex Limited” under the Companies Act, 1956 vide Certificate of Incorporation dated August 20, 1980, with Registrar of Companies, Punjab, H.P. & Chandigarh bearing registration number 4242 of 1980 and received a Certificate for Commencement of Business on December 01, 1982, by Registrar of Companies, Punjab, H.P. & Chandigarh. Subsequently, the name of our Company was changed to “Vardhman Polytex Limited” and consequently, a fresh certificate of incorporation subsequent to change of name dated August 20, 1991, under the Companies Act, 1956 was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh.

OUR PROMOTERS: MRS. MANJU OSWAL, MR. ADISH OSWAL, MS. AKETA OSWAL, MRS. RAKHI OSWAL, MR. ABHINAV OSWAL, ASHOK KUMAR (HUF) AND LATE ASHOK KUMAR OSWAL

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF VARDHMAN POLYTEX LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS ARE WILFUL DEFAULTERS OR A FRAUDULENT BORROWER AS ON DATE OF THIS LETTER OF OFFER

ISSUE OF UPTO 8,30,59,434 EQUITY SHARES OF FACE VALUE ₹ 1/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 6/- PER EQUITY SHARE INCLUDING PREMIUM OF ₹ 5/- PER EQUITY SHARE AGGREGATING UPTO ₹ 4,983.57 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 RIGHTS EQUITY SHARES FOR EVERY 23 FULLY PAID-UP EQUITY SHARE HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE THAT IS AUGUST 28, 2024. PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 120 OF THIS LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 16 of this Letter of Offer.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY



Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or in part or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed only on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). Our Company has received ‘in-principle’ approval from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated July 18, 2024 and July 10, 2024 respectively. Our Company will also make application to BSE and NSE to obtain trading approval for the Rights Entitlements as required under the SEBI master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 respectively. For the purpose of this Issue, the Designated Stock Exchange is NSE.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

	
<p>ARIHANT CAPITAL MARKETS LIMITED 1011, Building, No 10, Solitaire Corporate Park, Guru Hargovind Ji Road, Chakala Andheri(East), Mumbai- 400093, Maharashtra, India Telephone: +91 22 42254800 E-mail: mbd@arihantcapital.com Investor grievance: rbzipo@arihantcapital.com Website: www.arihantcapital.com Contact Person: Mr. Amol Kshirsagar / Mr. Satish Kumar Padmanabhan SEBI Registration Number: INM000011070 Validity of Registration: Permanent</p>	<p>ALANKIT ASSIGNMENTS LIMITED 4E/2 Jhandewalan Extension New Delhi -110055, India. Telephone: 011-42541966 E-mail: vplrights@alankit.com SEBI Registration Number: INR000002532 Website: www.alankit.com Contact Person: Jagdeep Kumar Singla</p>

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
THURSDAY, SEPTEMBER 12, 2024	TUESDAY, SEPTEMBER 24, 2024	FRIDAY, SEPTEMBER 27, 2024

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification, or policy shall be to such legislation, act, regulation, rule, guideline or policy as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in the sections entitled “Summary of Letter of Offer”, “Financial Statements”, “Our Business”, “Statement of Tax Benefits”, “Outstanding Litigations and Defaults” and “Terms of the Issue” on pages 14, 88, 60, 52, 94 and 120 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
“Company”, “Our Company”, “the Company”, “the Issuer” or “VPL”	Vardhman Polytex Ltd
“We”, “Our”, “Us”, or “our Group”	Unless the context otherwise indicates or implies or unless otherwise specified, refers to our Company along with our Subsidiaries, Joint Ventures, and Associates, as applicable, on a consolidated basis

Company Related Terms

Term	Description
“Articles of Association” or “Articles” or “AoA”	Articles of Association of our Company, as amended from time to time
“Auditors” or “Statutory Auditors”	The current statutory auditors of our Company, Romesh K. Aggarwal & Associates
“Audited Financial Statements”	The audited financial statements of our Company for the financial year ended March 31, 2024, which comprises of the balance sheet as at March 31, 2024, the statement of profit and loss including other comprehensive income, the cash flow statement, the statement of changes in equity for the year ended March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Information” on page 88 of this Letter of Offer.
“Audit Committee”	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) and Section 177 of the Companies Act, 2013.
“Board of Directors” or “Board” or “our Board”	The board of directors of our Company. For details, see “Our Management - Board of Directors” on page 84.
“Chairman”	The chairman of our Company, namely Mr. Adish Oswal. For details, see “Our Management - Board of Directors” beginning on page 84.

“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, namely Mr. Radhamohan Soni. For details, see “ <i>Our Management - Details of Key Managerial Personnel and Senior Management</i> ” beginning on page 86.
“Company Secretary and Compliance Officer”	The company secretary and compliance officer of our Company, namely Mr. Ajay Kumar Ratra. For details, see “ <i>Our Management - Details of Key Managerial Personnel and Senior Management</i> ” beginning on page 86.
“Corporate Office”	The corporate office of our Company located at Vardhman Park, Chandigarh Road, Ludhiana-141123, India
“Directors”	The directors on our Board as may be appointed from time to time. For details, see “ <i>Our Management - Board of Directors</i> ” beginning on page 84.
“Equity Shares”	Equity shares of face value of Re. 1/- each of our Company
“Independent Director”	The non-executive, Independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Independent Directors, see “ <i>Our Management - Board of Directors</i> ” beginning on page 84.
“Key Management Personnel and Senior Management” / “KMP”	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in “ <i>Our Management - Details of Key Managerial Personnel and Senior Management</i> ” beginning on page 86.
“Managing Director”	The managing director of our Company, namely Mr. Adish Oswal. For details, see “ <i>Our Management</i> ” beginning on page 84
“Materiality Policy”	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time
“Nomination and Remuneration Committee”	The Board of Directors of our Company constituted a nomination and remuneration committee in accordance with Regulation 19 of SEBI LODR and Section 178 of Companies Act, 2013.
“Non-Executive Directors”	The non-executive Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Non-Executive Directors, see “ <i>Our Management - Board of Directors</i> ” beginning on page 84.
“Promoter(s)”	The promoters of our Company, namely Mrs. Manju Oswal, Mr. Adish Oswal, Ms. Aketa Oswal, Mrs. Rakhi Oswal, Mr. Abhinav Oswal, Ashok Kumar (HUF) and Late Ashok Kumar Oswal *.
“Promoter Group”	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
“Registered Office”	The registered office of our Company is located at Vardhman Park, Chandigarh Road, Ludhiana-141123, India
“Registrar of Companies”/ “RoC”	Registrar of Companies, Chandigarh, having its office at 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh - 160019
“Stakeholders’ Relationship Committee”	The Board of Directors of our Company constituted a stakeholders relationship committee in accordance with Regulation 20 of SEBI LODR and Section 178 of Companies Act, 2013.
“Whole-time Directors”	The whole- time directors of our Company. For details, please see “ <i>Our Management – Board of Directors</i> ” beginning on page 84.

*Mr. Ashok Kumar Oswal passed away in the year 2018 and shares are still held in his name. In terms of the Will of Late Ashok Kumar Oswal, his legal heir/ wife (Mrs. Manju Oswal) has initiated the process of transmission of shares in her name. Since the Shares are pledged, the transmission / transfer could not be completed by the Depository Participant (DP) and these shares can be transmitted/transferred only when it is free from any lien i.e., pledge is removed by lender. In view of this, these shares will continue to be held in the name of Late Ashok Kumar Oswal till the entire loan(s) are repaid and the pledge is released and till such time, the name of Late Ashok Kumar Oswal will continue to be shown under the head Promoters as being reflected in Shareholding Pattern being submitted to Stock Exchanges.

Issue Related Terms

Term	Description
2013 ASBA Circular	The SEBI Circular CIR/CFD/DIL/1/2013 dated January 02, 2013.
2020 ASBA Circular	The SEBI Circular SEBI/HO/CFD/DIL/1/CIR/238/2020 dated December 08, 2020
2022 ASBA Circular	The SEBI Circular SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022
“Allotment” or “Allot” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) to be opened with the Banker(s) to the Issue, into which the Application Money, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being Indusind Bank Limited
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
Banker to the Issue	Indusind Bank Limited
Bankers to the Issue Agreement	Agreement dated August 23, 2024 entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for among other things, collection of the Application Money from Applicants/Investors and transfer of funds to the Allotment Account, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in “ <i>Terms of the Issue</i> ” beginning on page 120.
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI’s website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time

Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Draft Letter of Offer or DLOF	The draft letter of offer dated June 10, 2024 filed with the Stock Exchanges
Eligible Equity Shareholder(s)	Equity Shareholders as on the Record Date. For further details, see "Notice to Investors" beginning on page 9.
Equity Shareholder(s) or Shareholders	Holder(s) of the Equity Shares of our Company
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the escrow account will be opened, in this case being Indusind Bank Limited
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
Issue	This issue of up to 8,30,59,434* Rights Equity Shares for cash at a price of ₹ 6/- per Rights Equity Share (including a premium of ₹ 5/- per Rights Equity Share) aggregating up to ₹ 4,983.57* lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 7 Rights Equity Shares for every 23 Equity Shares held by the Eligible Equity Shareholders on the Record Date <i>*Assuming full subscription in the Issue, Allotment and receipt of all Call Monies with respect to the Rights Equity Shares. Subject to finalization of the Basis of Allotment.</i>
Issue Agreement	Issue agreement dated May 20, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	September 27, 2024
Issue Materials	Collectively, this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	September 12, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 6/- per Equity Share (including premium of ₹ 5/- per Equity Share)
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	Upto Rs. 4,983.57 lakhs
Lead Manager	Arihant Capital Markets Limited
Letter of Offer or LOF	The letter of offer dated August 28, 2024 filed with the Stock Exchanges
Listing Agreements	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to

	further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application
Net Proceeds	Issue Proceeds less the estimated Issue related expenses. For further details, see “ <i>Objects of the Issue</i> ” beginning on page 43.
Off Market Renunciation	<p>The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws.</p> <p>Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date</p>
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before September 24, 2024.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for the Rights Equity Shares in the Issue, to be decided prior to the filing of the Letter of Offer, being August 28, 2024
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being Indusind Bank Limited.
Registrar Agreement	Agreement dated May 30, 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue or Registrar / Share Transfer Agent	Alankit Assignments Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI master circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
Renunciation Period	The period during which the Eligible Equity Shareholders can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on September 24, 2024, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Shares and whose Application Money is not more than Rs. 2,00,000.00/- (Rupees Two Lakhs only) in the Issue as defined under Regulation 2(1) (vv) of the SEBI (ICDR) Regulations
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 7 Rights Equity Shares for every 23 Equity Shares held by an Eligible Equity Shareholder on the Record Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on a partly paid-up basis on Allotment

RE ISIN	ISIN for Rights Entitlement i.e. INE835A20011
Rights Equity Shareholders	Holder of the Rights Equity Shares pursuant to this Issue
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&in tmId=34 , or such other website as updated from time to time
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed i.e. BSE Limited and National Stock Exchange of India Limited
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Days	All days on which commercial banks in Punjab are open for business. Further, in respect of the Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Punjab are open for business. Furthermore, in respect of the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
“AS” or “Accounting Standards”	Accounting standards issued by the ICAI
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	Calendar year ending December 31
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
CDG(M)	Carding Maintenance
Central Government	Central Government of India
CMD	Chairman & Managing Director
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013 along with the relevant rules made thereunder
CRM	Customer Relationship Management
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DG Set	Diesel Generator Set
“DP” or “Depository Participant”	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortization (“EBITDA”) is calculated as Profit from Ordinary Activities for the period / Profit from continuing operations for the year, before tax, finance costs (other than finance costs related to NBFC/HFC’s business) and depreciation and amortization expenses

EPS	Earnings Per Share
“Financial Year” or “Fiscal Year” or “Fiscal” or “FY”	Period of 12 months ending March 31 of that particular year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FCNR Account	Foreign currency non-resident account
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
GST	Goods and services tax
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
Income-Tax Act	Income Tax Act, 1961
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NBFC	Non-banking financial company
Net Worth	Equity attributable to owners of the Company
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI ICDR Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD 2/P/CIR/2023/00094 dated June 21, 2023
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SPG(M)	Spinning Maintenance

TAN	Tax Deduction Account Number allotted by the Income Tax Act, 1961, as amended from time to time.
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payment Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
"U.S." or "USA" or "United States"	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCFs / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VPLL	Vardhman Polytex Ltd. Ludhiana (used for Ludhiana plant)
VPLN	Vardhman Polytex Ltd. Nalagarh (used for Nalagarh plant)
VPLB	Vardhman Polytex Ltd. Bathinda (used for Bathinda plant)
w. r. t.	With Respect To
Y-O-Y	Year-over-Year

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form may come are required to inform themselves about and observe such restrictions.

In accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, and any other material relating to the Issue (collectively, the "Issue Materials") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager and the Stock Exchanges.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or their affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is authorized to acquire the Rights Entitlements or Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered

Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager or their affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN “OFFSHORE TRANSACTIONS” AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. federal or state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to Vardhman Polytex Limited, “VPL”, “the/our “Company”, “we”, “our”, “us” or similar terms are to Vardhman Polytex Limited or, as the context requires, and references to “you” are to the equity shareholders and/ or prospective investors in the Equity Shares

Currency and Units of Presentation

All references to “Rupees” or “Rs.” or “Re.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or United States Dollars are to the official currency of the United States of America. Except where specified in this Letter of Offer, all figures have been expressed in Rupees lakhs.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Financial Statements for the financial year ended on March 31, 2024. For further information, see “*Financial Information*” on page 88.

We have prepared our Audited Financial Statements and Limited Review Unaudited Financial Results in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Regulation 33 of the SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakh.

FORWARD - LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements.' Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans, or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans, and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business, and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance, or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties, and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- We engage in highly competitive businesses;
- We require substantial financing for our business operations;
- We have not entered into any long-term agreements with our customers for purchasing our products. We are subject to uncertainties in demand and there is no assurance that our customers will continue to purchase our products. This could impact the business and financial performance of our Company;
- Any inability to manage our growth could disrupt our business and reduce our profitability.

Additional factors that could cause actual results, performance, or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "**Risk Factors**," "**Our Business**," and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**," beginning on pages 16, 60, and 90, respectively.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of our Company's management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated, or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI ICDR Regulations and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

SUMMARY OF LETTER OF OFFER

The following is a general summary of the terms of this Offer, and should be read in conjunction with and is qualified by more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*”, “*Financial Statements*” “*Outstanding Litigation and Defaults*” and “*Terms of the Issue*” on pages 16, 35, 41, 43, 60, 56, 88, 94 and 120 respectively of this Letter of Offer.

1. Summary of Business:

Vardhman Polytex Limited was incorporated as “**Punjab Mohta Polytex Limited**” under the Companies Act, 1956 vide Certificate of Incorporation dated August 20, 1980, with Registrar of Companies, Punjab, H.P. & Chandigarh bearing registration number 4242 of 1980 by Mohta Industries Limited, in joint venture with Punjab State Industrial Development Corporation Limited and received a Certificate for Commencement of Business on December 01, 1982, by Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, Punjab Mohta Polytex Limited was acquired by Vardhman Group through Mahavir Spinning Mills Limited along with the shareholding of Punjab State Industrial Development Corporation Limited. Subsequently, the name of our Company was changed to “**Vardhman Polytex Limited**” and consequently, a fresh certificate of incorporation consequent on change of name dated August 20, 1991, under the Companies Act, 1956 was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh.

Our company is engaged in the manufacturing of yarns. It has production facilities located in Ludhiana, and Nalagarh in India. The Company's principal activity is manufacturing of yarns. Its diverse yarn portfolio spans Cotton (Combed, Organic, BCI), Cotton-Polyester blends and Value-Added Yarn (Grey) across various counts. Employing the finest raw materials, each thread adheres to the highest global standards, showcasing our commitment to excellence in yarn manufacturing.

2. Objects of the Issue:

The details of the Issue Proceeds are set forth in the table below:

Particulars	(Rs. in lakhs)
	Amount
Gross Proceeds #	4,983.57
Less: Issue Expenses	80.00
Net Proceeds	4,903.57

assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

Particulars	(Rs. in lakhs)
	Amount
Repayment of debts of the Company	2,500.00
Modernization of plants	1,220.00
General Corporate Purposes*	1183.57
Total net proceeds	4,903.57

*The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 43 of this Letter of Offer.

3. Our Promoters:

The promoters of our Company, Mrs. Manju Oswal, Mr. Adish Oswal, Ms. Aketa Oswal, Mrs. Rakhi Oswal, Mr. Abhinav Oswal, Ashok Kumar (HUF) and Late Ashok Kumar Oswal.

[Mr. Ashok Kumar Oswal passed away in the year 2018 and shares are still held in his name. In terms of the Will of Late Ashok Kumar Oswal, his legal heir/ wife (Mrs. Manju Oswal) has initiated the process of transmission of shares in her name. Since the Shares are pledged, the transmission / transfer could not be completed by the Depository Participant (DP) and these shares can be transmitted/transferred only when it is free from any lien i.e, pledge is removed by lender. In view of this, these shares will continue to be held in the name of Late Ashok Kumar Oswal till the entire loan(s) are repaid and the pledge is released and till such time, the name of Late Ashok Kumar Oswal will continue to be shown under the head Promoters as being reflected in Shareholding Pattern being submitted to Stock Exchanges].

4. Intention and extent of participation by our Promoters in the Issue:

The Promoters of our Company through its letters dated May 31, 2024 and June 06, 2024, have declared their intention to not subscribe to proposed Rights Issue to the full extent of their Rights Entitlements. Hence, Promoters of our Company will not subscribe to proposed Rights Issue.

5. Summary of Outstanding Litigation:

A summary of the proceedings involving our Company are provided below:

Nature of Cases	Number of Cases	Amount Involved (in Rs.)
Issuer Company – Vardhman Polytex Ltd		
E-Proceedings	29	1,00,00,32,621.00*
Outstanding Demand	10	1,11,41,05,836.00
TDS Default	5	7,33,872.52
Litigations filed against our Company	18	2,01,80,33,190.26
Litigations filed by our Company	13	1,73,05,114.00

* to the extent quantifiable

For further details of litigation proceedings, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 94 of this Letter of Offer.

6. Risk Factors:

Please see the chapter titled “*Risk Factors*” beginning on page 16 of this Letter of Offer.

7. Summary of Contingent Liabilities:

For details regarding contingent liabilities, please see “*Note 39 – Contingent Liabilities*” of the chapter titled “*Financial Information*” beginning on page 88 of this Letter of Offer.

8. Summary of Related Party Transactions:

For details regarding our related party transactions please refer please see “*Note 45 – Related Party Transactions*” of the chapter titled “*Financial Information*” beginning on page 88 of this Letter of Offer.

9. Issue of equity shares made in last one year for consideration other than cash:

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled ‘Industry Overview’, ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page numbers 56, 60, and 90, respectively, of the Letter of Offer as well as the other financial and statistical information contained in the Letter of Offer.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Letter of Offer were to occur, our business, financial condition and results of our operation could suffer material adverse effects and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

The Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Letter of Offer. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

1. Some events may not be material individually but may be material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

INTERNAL RISKS

1. *Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may cause monetary losses to our Company.*

Our Company is involved in certain legal proceedings which are pending at different levels for adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition.

A summary of the pending proceedings involving our Company are provided below:

Nature of Cases	Number of Cases	Amount Involved (in Rs.)
Issuer Company – Vardhman Polytex Ltd		
E-Proceedings	29	1,00,00,32,621.00*
Outstanding Demand	10	1,11,41,05,836.00
TDS Default	5	7,33,872.52
Litigations filed against our Company	18	2,01,80,33,190.26
Litigations filed by our Company	13	1,73,05,114.00

* to the extent quantifiable

For further details of litigation proceedings, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 94 of this Letter of Offer.

2. *Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of manufacturing operations or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition and result of operations.*

Our business is dependent on our ability to manage our manufacturing operations, which are subject to various operating risks and factors including, among others, breakdown and/or failure of equipment or industrial accidents which may entail significant repair and maintenance costs, increases in raw materials, consumables and manpower costs, challenges in achieving targeted utilization levels at our manufacturing facilities, product quality issues, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters and outbreaks of infectious diseases, natural calamities, labor disputes, civil disruptions and changes in the regulations and policies of the states or local governments where our manufacturing facilities are located. Although we have not experienced any material instances of such disruptions, we cannot assure you that we will not be subject to these risks in the future. Any of the foregoing could cause delays in our operations or require us to shut down the affected manufacturing facility.

In addition, we may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require our manufacturing facilities to cease or limit production until the required approvals are received, or disputes concerning these approvals are resolved. Any material disruption at our manufacturing facilities, including but not limited to power failure, fire, strikes, lockouts and unexpected mechanical failure of equipment, could reduce our ability to meet the conditions of our business contracts and earnings for the affected period. Although we have not experienced such material disruptions in the past, we cannot assure you that our manufacturing facilities will be able to operate smoothly in the future. In addition, if we are unable to obtain raw materials and equipment on commercially acceptable terms, or at all, or if our third-party suppliers fail to deliver the raw materials and equipment to us within a reasonable stipulated time, it could lead to disruptions, slowdown or shutdown of operations at our manufacturing facilities. Our inability to effectively respond to any such disruption, slowdown or shutdown, and rectify any disruption in a timely manner and at an acceptable cost, could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

3. *Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.*

We monitor our inventory levels based on our projections of future demand. Because of the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales for some of our products. An inaccurate forecast of demand may result in unavailability/surplus of products. This unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially due to writing down of inventory cost from its carrying value to the net realizable value. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

4. *Our indebtedness, including various conditions and restrictions imposed on us by our financing agreements, could adversely affect our ability to react to changes in our business, and we may be limited in our ability to use debt to fund future capital needs.*

As of March 31, 2024, our secured and unsecured borrowings amounted to Rs. 9382.18 Lakhs and Rs. 193.32 Lakhs respectively. Our substantial indebtedness could:

- require us to dedicate a substantial portion of our cash flow from operations to payments in respect of our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate expenditures;
- increase our vulnerability to adverse general economic or industry conditions;
- limit our flexibility in planning for, or reacting to, competition and/or changes in our business or our industry;
- limit our ability to borrow additional funds;
- restrict us from making strategic acquisitions, introducing new products or services or exploiting business opportunities; and

- place us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

We cannot guarantee that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, adverse changes in the business conditions affecting us could cause the amount of refinancing proceeds to be insufficient to meet our interest payments or fully repay any existing debt upon maturity and we may be unable to fund the payment of such shortfalls. If we cannot obtain alternative sources of financing or our costs of borrowings become significantly more expensive, then our financial condition and results of operations will be adversely affected.

Moreover, the agreements governing certain of our debt obligations include terms that, in addition to certain financial covenants, which, amongst others, restrict our ability to make capital expenditures and investments, declare dividends, effect a scheme of amalgamation or reconstitution, alter our constitutional documents, undertake new projects, change our management and board of directors, modify our promoter/ promoter group shareholding, and modify our capital structure. Any failure on our part to comply with these terms in our loan agreements would generally result in events of default under these loan agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted over various assets and take possession of those assets, which could adversely affect our liquidity and materially and adversely affect our business and operations. In addition, to the extent that we cannot make payments on accelerated amounts, such non-payment could result in the cross default and/or cross-acceleration of some or all our other outstanding indebtedness, and payment of penalty interest, which could likewise adversely affect our liquidity and materially and adversely affect our business, operations and financial conditions.

5. *Any inability on our part to comply with prescribed technical specifications and standards of quality in connection with our products could adversely impact our operations and profitability.*

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities as well as some of our customers that enable us to be eligible to participate in orders. Further, we are required to adhere to stringent contractual technical specifications and standards, and our customers may require our manufacturing facilities and products to be preapproved and/or accredited by various agencies before placing orders for our products. If we fail to adhere to the aforesaid requirements or changes thereto in a timely manner, or at all, our cash flows, operations and/or profitability could be adversely affected. Our top customers may vary from period to period depending on order bookings. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship or pre-qualified status with our key customers.

6. *Our operations are subject to high working capital finance requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.*

We require substantial amounts of working capital for our business operations, and failure to obtain required working capital on attractive terms or at all, may materially and adversely affect our growth prospects and future profitability. We require substantial capital to maintain and operate our production facilities.

Our total debt as of March 31, 2024, amounting to Nil. We rely on Vendor financing to meet our working capital requirements. We cannot assure that we will be able to raise additional debt in a timely manner or on acceptable terms in the future to finance our working capital, if required and this may materially and adversely affect our business.

7. *Changes in technology may affect our business by making our manufacturing facilities or equipment less competitive.*

Our profitability and competitiveness are in large part dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facilities. We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other textile manufacturing companies and other methods of

manufacturing. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected.

8. Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on the results of our operations and profitability.

Any material interruption at our manufacturing facilities, including but not limited to power failure, fire and unexpected mechanical failure of equipment's and pandemic conditions could reduce our ability to meet the conditions of our contracts and earnings for the affected period. Irregular or any interruption in supply of power or water are factors that could adversely affect our daily operations. If there is an insufficient supply of electricity or water to satisfy our requirements, we may need to limit or delay our production, which could adversely affect our business, financial condition, and results of operations. We cannot assure you that we will always have access to sufficient supplies of electricity in the future to accommodate our production requirements and planned growth. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to procure various supplies and products to meet our production requirements, which could affect our profitability.

9. Certain immovable properties purchased are not held in the name of our Company.

Our Company has three immovable properties situated at Nalagarh that are not titled in the name of our Company.

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
1.	Nalagarh	Area measuring Bighas 4 Biswas 11 at Nangal Nehla	Seller- Bhaga Ram and Ravinder alias Kaku Buyer- Subhash Chand.	Consideration- Rs. 7,67,500/- Stamp Duty- Rs. 38,500/- Registration-Tehsil Nalagarh, District Solan, Himachal Pradesh On-22-June-2011 Sale Deed No.- 556	Industry
2.	Nalagarh	Area measuring Bighas 00 Biswas 16 at Nangal Nehla	Seller- Rachan Jeet Singh Buyer- Subhash Chand.	Consideration- Rs. 3,20,000/- Stamp Duty- Rs. 16,000/- Registration-Tehsil Nalagarh, District Solan, Himachal Pradesh On-February 01, 2011 Sale Deed No.- 77	Industry
3.	Nalagarh	Area measuring Bighas 02 Biswas 03 at Nangal Nehla	Seller- Guravtar Singh Buyer- Subhash Chand.	Consideration- Rs. 4,51,500/- Stamp Duty- Rs.22,600/- Registration-Tehsil Nalagarh, District Solan, Himachal Pradesh On December 13, 2010 Sale Deed No.- 1093	Industry

Though our Company has already paid full consideration as per agreement of purchase of the properties, however, approval of Himachal Pradesh Government for registration of property in the name of company is yet to be received. Any further delay in receipt of registration in our Company's name, may affect enforceability of our Company's rights

in relation to the above immovable properties. In the event of any dispute that may arise in relation to title of such properties or any adverse action or encroachment by any third party, may result in adverse impact on our business and operations.

10. *Our Company had defaulted in repayment of foreign currency convertible bonds ("FCCBs") that upon conversion shall result into Equity Shares.*

Our Company had defaulted on repayment of foreign currency convertible bonds ("FCCBs") which was subsequently settled with Axis Bank Limited through a Settlement Payment Plan. The final payment date is September 30, 2024. The Company credited an amount of Rs. 396.44 lakhs to the Profit & Loss Account in FY 2017 being gains arising out of the settlement while such should have been affected upon complete payment of the FCCB liability.

Further the Company has defaulted in payment of an instalment of USD 1,08,058 due in March 2024, owing to losses incurred and liquidity issues faced by the Company. We cannot assure that the said payment will be repaid on time and no further interest/default interest will be levied against our Company. Such additional penalties may affect the finances of our Company.

Further, the Company has already deposited the amount of Rs. 90.55 Lakh in the bank account of Axis Bank on 25th of June, 2024 but the bank requires the approval from RBI before adjusting the said payment against FCCB instalment and RBI would take 15-20 days for said approval.

11. *There can be certain instances of non-compliance with respect to maintenance of corporate records of the Company in the future, and we may be subject to regulatory actions and penalties, if any, for any such non-compliance/non-traceability of corporate records and our business, financial condition and reputation may be adversely affected.*

Our Company endeavours to maintain the corporate record in the strict compliance with the Companies Act, Secretarial Standards and other applicable laws. As on date of this Letter of Offer, we have complied with all the corporate compliances with respect to Companies Act, Secretarial Standards and other applicable laws; however, we cannot assure whether we will be able to comply with such compliances in a timely manner in the future.

12. *Our lenders have imposed certain restrictive covenants on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.*

The financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. As of March 31, 2024, we had outstanding indebtedness of Rs.9575.50 Lakhs consists of borrowings under non-current liabilities and borrowings under current liabilities). For details on our borrowings, please refer "*Management's Discussion and Analysis of Financial Condition and Results of Operations-Financial Indebtedness*" on page no. 90 of the Letter of Offer. Further for the process of this Issue, our company has obtained the consent from the respective lender vide reference no. *PHOENIX/LPMG/3863/2023-24* dated March 04, 2024. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, (a) permit any change in the ownership/ control/ management/ shareholding (including by pledge of promoter/ sponsor shareholding in the borrower to any third party), and (b) wind up, liquidate or dissolve its affairs or take any steps for its voluntary winding up or liquidation or dissolution. While we have received all relevant consents required for the purposes of this Issue and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time. While we have not defaulted on any covenants in financing agreements in the past, we cannot assure you that this will continue to be the case in the future.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements, that include, among others, acceleration

of amounts due under such facilities, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cashflow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. For details on our borrowings, please refer “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Financial Indebtedness” on page no. 90 of the Letter of Offer.

13. Failure for not subscribing to the present Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding of the Promoter and Promoter Group.

The proportionate ownership and voting interest in our Company of the Promoters who are not subscribing to the present Rights Entitlements will be diluted. Even if the Promoters and Promoters Group elect to sell its unexercised Rights Entitlements, the consideration to received may not be sufficient to fully compensate for the dilution of the Promoters and Promoters Group percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and the Promoters and Promoters Group will not receive any consideration for them. Renounees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of on Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

14. There have been instances in the past of default in payment of dues to our lenders. In the event of any further defaults in making repayment of its loans or payment of interest by our Company and Promoters, it may impact its continued business operation and financial condition.

FM Hammerle Textile Limited (erstwhile subsidiary of company) turned NPA and our Company acted as a Corporate Guarantor for the debt availed by FM Hammerle Textile Limited from SBI who was the sole banker and had the following securities:-

Sr. No.	Security	Action Taken
1.	Subsidiary Company's Assets & Cashflow	Sold under IBC
2.	Subsidiary's Collateral Properties	Sold in Open Auction
3.	Corporate Guarantee of Vardhman Polytex Limited (VPL)	Settled at 2.50 Cr
4.	Personal Guarantees of Promoters	Pursuing

With aforesaid recovery actions, SBI could only recover part dues and for recovery of balance dues, the bank is enforcing its rights against Personal Guarantors. Promoters have made an offer of Rs. 1,00,00,000/- (Rupees One Crore Only) with an intention to deposit 10% of the proposed amount into ‘No Lien Account’ towards Negotiated Settlement of Personal Guarantee Obligations. Negotiations by the personal guarantors (Mr. Adish Oswal, Mrs. Rakhi Oswal and Mrs. Manju Oswal) are in process and settlement is yet to be done. There is no liability on the company (Vardhman Polytex Limited) as Corporate Guarantee of the Company has been settled and SBI is proceeding against the Personal Guarantor(s) in DRT and NCLT.

VPL debt was restructured with Phoenix ARC in 8th November, 2023 and since operational EBITDA was not enough to service even restructured debt obligations, VPL defaulted on its restructured obligations towards Phoenix ARC and OTS deferred payment towards Axis Bank on March 31 2024. Same has been notified to Stock Exchanges as well.

If our Company is unable to settle/make payments on time than the same would affect its financials and business operations.

The Company was to pay Rs. 6,00,00,000/- (Rupees Six Crores only) in March, 2024 in terms of scheduled monthly repayment plan in terms of restructuring done vide LOA dated November 8, 2024. But, due to liquidity issues, VPL could pay only Rs. 63,00,000/- (Rupees Sixty Three Lakhs only) by March 31, 2024 out of monthly instalment due for the month of March 2024 resulting into default of Rs. 5,37,00,000/- (Rupees Five Crores Thirty Seven Lakhs

only) on its restructured obligations. The said event of default was duly reported to Stock Exchanges vide our letter dated April 30,2024.

The Company has since cleared the default amount in respect of 31 March, 2024. An amount of Rs.720 Lakhs in respect of monthly instalments in respect of May, 2024 to July, 2024 are yet to be paid. In the above matter, additional Penal Interest (Q1 2024-25) of Rs.50.40 Lakhs has been levied by Phoenix.

15. *Our Auditor has made qualifications in the audit report of financial year ending 2023-2024.*

Our Auditor has provided qualifications in the Financial Statements for Financial Year 2023-24 relating to Ind AS financial statements crediting a profit of Rs 396.44 Lacs due on payment of FCCB liability to the statement of profit & loss during the year ended March 31,2017 which should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 216,115 USD as on March 31,2024 and is not in compliance with the requirements of the Ind AS-1 i.e., preparation of financial statements on accrual basis. Consequently, the profit and loss has been overstated by the abovementioned amount. We further report that, the impact of Auditor Qualification made above have been considered, the net loss and the net worth, for the period ended, are altered by Rs. 396.44 Lacs. There is no assurance that our audit reports for any future fiscal periods will not contain qualifications, adverse remarks, matters of emphasis or other observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

16. *Our Company has incurred a negative Networth in the recent past. Any losses in the future may have a significant adverse impact on our financial condition and may lead to further erosion of our net worth.*

Our Company has a Negative Networth of ₹ 36,103.76 Lakh in FY 2023-24 and Rs. 36,230.67 Lakh in FY 2022-23 due to losses. Our Company may incur losses in the future for a number of reasons and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If our Company incur losses in the future or unable to generate sufficient revenue to meet our financial targets or unable to have sustainable positive cash flows, investors could lose its investment and the market price of our Equity Shares could suffer.

17. *We have experienced delays in payment of provident fund contributions in the past and the same has been recorded in our Audit Report of FY 2023-2024.*

Our Company, in the regular course of its operations, is required to pay certain statutory dues including the employee provident fund contributions. In compliance with the applicable laws, the dues are outstanding to be deposited for the period of more than 6(six) months as on March 31, 2024 to the extent of Rs. 117.66 lakhs and out of the same Rs.82.41 lakhs has been deposited on the date of the Audit Report of FY 2023-2024 i.e., May 27, 2024. As on August 18, 2024, an amount of Rs.246.45 lakhs is outstanding to be deposited. The Company is making all efforts to mobilise the funds to pay the said PF dues by 31st December, 2024 tentatively. Although our Company is in the process of clearing the pending dues, however, there can be no assurance that till when the same will be cleared and any further delays by our Company in curbing such delays may expose our Company to legal proceeding or regulatory actions by concerned authorities.

18. *We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition, and results of operations.*

We face huge competition in our industry from the existing players and new entrants. If there is any change in trend, then it may put pressures on pricing, product quality, turnaround time, order size etc., which may put strain on our profit margins. Failure to compete with producers of man-made fiber may have adverse effect on our business, financial condition, and results of operations.

19. *We have incurred losses in the recent past. Continuous financial losses incurred by us may be perceived adversely by external parties such as clients and bankers/lenders, which could affect our reputation, business, financial condition and results of operation and affect our ability to repay the loans availed by our Company.*

We cannot assure you that with lower profit and lower revenue margin, we would be effectively able to service our debt obligations on time and would not commit any defaults in repayment of loans and the interest involved. Occurrence of any of the aforementioned events would adversely affect our ability to maintain adequate cash flows to meet our working capital requirements and run our business in an effective manner. Further, there can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be received adversely by external parties such as customers, bankers/lenders, and suppliers, which could affect our reputation.

20. *If we are unable to collect our dues and receivables from our customers, our results of operations and cash flows could be materially and adversely affected.*

Our business depends on our ability to successfully obtain payment from our customers of the amount they owe us for the products delivered in timely manner. Our Company generally extends the benefit of a credit period of up to 7 days to its customers. Our average credit cycle has been 7 days in Fiscal 2023-2024.

We cannot assure you that we will be able to accurately assess the creditworthiness of our customers. Macroeconomic conditions could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency, or bankruptcy. Such conditions could cause customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, cause us to enter into litigation for non-payment, all of which could increase our receivables. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our products, our cash flows could be adversely affected. Any significant decrease in or discontinuation of products manufactured from our products by customers in the industry or other industries from which we derive significant revenues in the future may reduce the demand for our products.

21. *We have experienced negative cash flows from operating activities in the last year and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

We have experienced negative net cash flow from operating activities in the last year, the details of which are provided below:

(₹ in lakhs)	
Financial Year	Amount
2023-24	(-)1378.31

We may incur negative cash flows from operations in the future as well which could have a material adverse effect on our business, prospects, results of operations and financial condition.

22. *In the event we fail to accurately forecast demand for our products, and accordingly manage our inventory or plan capacity expansions, it may have an adverse effect on our business, cash flows, financial condition and results of operations.*

We maintain a level of inventory of raw materials, work in progress and finished goods. We plan our production volumes based on our forecast of the demand for our products. Any error in forecasting could result in surplus stock which would have an adverse effect on our profitability. As of March 31, 2024, work in progress, our inventory of raw materials and finished goods (including traded goods) and stores & spares amounted to ₹ 1681.23 Lakh. . Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations.

23. *We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.*

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required at our manufacturing units and of our products from manufacturing units to our customers, both of which are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic and overseas customers. Transportation strikes have had

in the past, and could again have in the future, an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials, and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. Failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition, and results of operations.

24. *Under-utilization of our manufacturing capacities could have an adverse effect on our business and financial performance.*

Our capacity utilization is affected by the availability of raw materials, industry / market conditions as well as by the product requirements of, and procurement practice followed by, our customers. In the event that we are unable to procure sufficient raw materials and procure sufficient demand, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilize our expanded capacity efficiently.

Our Company's overall capacity utilization is dependent on various factors, including demand for our products, availability of raw materials, customer preferences, our ability to manage our inventory and implement our growth strategy of improving operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

25. *Inconsistent product quality could lead to customer dissatisfaction, hampering reputation, sales and business which may materially and adversely affect our business and prospects.*

We face business risks relating to our products not meeting the customer's technical specifications or the required quality standards. We have prescribed stringent quality checks and continue to improve its resource utilization and minimize in-process rejections by leveraging quality tests across all manufacturing facilities. We are focused on improving quality systems and their effectiveness to lessen the incidence of such risks and simultaneously improving its operational efficiencies. However, there can be no assurance that there could still not be some deviation from prescribed quality standards due to factors such as human error. Despite putting in place strict quality control procedures we cannot assure that our products will always be able to satisfy our clients/customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our operations. Introduction of new products or for any other reason, any failure on our part to meet our customers' expectation could adversely affect our business, result of operations and financial condition. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are delivered to our customers. In case our products do not meet the customer, requirements or fails to adhere to the technical specifications or quality standards, our customers may cancel the order. Any such cancellation by our customers may adversely affect our reputation and brand image, which could adversely affect our business, results of operations and financial condition.

26. *We are dependent on our senior management and other key personnel as well as certain intermediaries, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations, financial condition, and cash flows.*

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management in particular, and other key personnel are valuable for the development of our business and operations and the strategic directions taken by our Company. For further information of our key management personnel, refer chapter "Our Management" on page 84. There can be no assurance that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all.

We may require a long period of time to hire and train replacement personnel when a qualified personnel terminates their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition, and cash flows.

27. *We require various licenses and approvals for undertaking our business and if we fail to obtain, maintain, or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business operations may be adversely affected.*

Our Company's operations are subject to government regulations, and we are required to obtain and maintain several statutory and regulatory permits, approvals, and consents under central, state, and local government rules in India, generally for carrying out our business and for each of our manufacturing facilities. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

Further, certain approvals for our manufacturing facilities are required to be applied or renewed on an ongoing basis. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

28. *If we are unable to successfully execute our growth strategies, our business prospects, and results of operations could be materially and adversely affected.*

We propose to expand our business by adopting a series of strategies. Our growth depends on our ability to expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational, and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to several factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses.

29. *Wage pressures and increase in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.*

Wage costs and operating costs have historically been significantly lower in India than wage costs and operating costs in the United States, Europe, and other developed economies; and these reduced costs have been one of the sources of our competitive strengths. However, any increase in wage and operating expenses in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases manifest a hike in operational costs which may result in a material adverse effect on our business and financial condition and result of operations.

30. *We are subject to export and import controls that could adversely impact our business.*

We are subject to export and import control laws that limit us to where and to whom we can sell our products which could result in postponements or cancellations of product orders. In addition, various countries have enacted laws that could limit our ability to distribute our products or could limit our customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations may create delays in the introduction of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, prevent the export or import of our products to certain countries altogether. Any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Delays caused by our compliance with regulatory requirements in obtaining or maintaining any regulatory approvals that may, in the future, be required to operate our business could materially affect our business and operating results. We may also be unable to secure raw materials components or software for our capital equipment due to export control laws, as a result of which, our supply chain may be disrupted and we may be unable to provide our products to customers, which can result in a loss of business for us.

31. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

As of March 31, 2024, we have employed 974 permanent employees and 72 temporary employees across our operations. Although we have not experienced any material labor unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labor unrest directed against us, could directly or indirectly prevent, or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

32. *Our registered office is on leased premises and Lease deed have been executed for the same. Any termination or dispute in relation to this lease deed may have an adverse effect on our business operations and results thereof.*

Our Registered office situated at Vardhman Park Chandigarh Road, Ludhiana-141123, Ludhiana, Punjab - 141123, India, is a leased premises. The said property is owned by Stel-Tec Pvt. Ltd. who has entered into an agreement with our Company for leasing the same premises for a period of 11 months i.e., from July 1, 2024 to May 31, 2025 and which can be renewed with mutual agreement of the parties. For details, please refer to “*Our Business - Our Immovable Properties*” page no. 68 of this Letter of Offer. Our business operations are also conducted from the said premises. As per the lease deed if there are any non-compliance by us in relation to any term of lease deed, rents and any other terms and conditions, this may result in the termination of the lease deed and consequently we have to vacate the said premises. We also cannot assure you that landlord will not terminate the lease deed, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations

33. *Our insurance coverage may not be adequate, and this may have an adverse effect on our business and revenues.*

We could face liabilities for accidents that occur at our manufacturing facilities or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of coverage include standard fire and special perils insurance policy, money insurance policy and burglary insurance policy.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage where our insurance claims are

rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

34. *Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.*

Our operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. Our operations may generate pollutants and waste, some of which may be hazardous. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. We cannot assure you that compliance with such laws and regulations will not result in a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations. Further, manufacturing activities in India are also subject to various health and safety laws and regulations as well as laws and regulations governing their relationship with their respective employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring, and terminating employees and work permits. Accidents, in particular fatalities, may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents. Non-compliance with these laws and regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal actions, and revocation of key business licenses. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition.

35. *Industry information included in this Letter of Offer has been derived from a publicly available information. There can be no assurance that such third- party statistical, financial, and other industry information is complete, reliable or accurate.*

We have not independently verified data obtained from industry publications and other external sources referred to in this Letter of Offer and therefore, while we believe them to be accurate, complete, and reliable, we cannot assure you that they are accurate, complete, or reliable. Such data may also be produced on different bases. Therefore, discussions of matters relating to India, its economy, the textile industry, are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete, or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

36. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control*

Our Company proposes to utilize the Net Proceeds for the Issue towards repayment of loans, modernisation of plants and general corporate purpose. Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control however such changes shall be in compliance with all the applicable laws and regulations. In respect of modernisation of plants, we are yet to place orders for the required machineries. For details, see “*Objects of the Issue*” on page 43. In addition, we cannot

assure you that use of the Net Proceeds towards repayment of loan and the expenditure towards modernization of plants identified by our management would result in actual growth of our business, increased profitability, or an increase in the value of our business and your investment. However, net proceeds will be utilised in compliance with applicable laws and regulations.

37. *Impact of the COVID-19 pandemic on our Business Operations.*

The impact assessment for FY 2020-21 which was done as per guidance note issued by ICAI on COVID-19 outbreak. This impact assessment has been done taking into account multiple factors including impact on capital and financial resources, profitability, liquidity position, ability to service debts, major repair maintenance provision due to multiple shuts, additional debtors' provision, supply chain, demand for products/services, slowdown in revenue, Covid vaccination drive by company, staff welfare for employee hospitalization support and employee incentive and retention bonus etc. The total of such impact was for Rs. 6,30,47,358/- for which provision has been made in the financial statements for the year ended March 31, 2021.

Though, our Company was able to retain the impact of this pandemic but there is no assurance that occurrence of another pandemic would have such limited effect both financially and on our operations.

ISSUE SPECIFIC RISKS

38. *Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

39. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 and SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated May 19, 2022 and June 21, 2023 respectively, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

40. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date or those Rights Entitlements that are purchased and not exercised prior to the end of the closing date, will expire and become null and void, and the Eligible Equity Shareholders or holders of the Rights Entitlement will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 120.

41. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares.

The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

42. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

43. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

44. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor’s demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval

is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

45. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

46. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.*

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

47. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

48. *Holder of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

49. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in

currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

50. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

51. *Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.*

No actions have been taken to permit an offering of the Equity Shares in the Rights Issue in any jurisdiction except India. As such, our Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Equity Share is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, please refer to the chapters entitled 'Notice to Investors', 'Other Regulatory and Statutory Disclosures' and 'Restrictions on Foreign Ownership of Indian Securities' on pages 9, 115 and 149, respectively of this Letter of Offer. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with applicable law.

EXTERNAL RISKS

52. *Negative public opinion could damage our reputation and adversely affect our earnings.*

Reputation risk, or the risk to our business, earnings and capital from negative public opinion, is inherent in our business. Negative public opinion can result from our actual or alleged conduct in any number of activities including but not limited to corporate governance, and actions taken by government regulators and community organizations in response to those activities. Negative public opinion can also result from media coverage, whether accurate or not. Negative public opinion can adversely affect our ability to attract and retain customers, trading counterparties and employees and can expose us to litigation and regulatory action. Although we take steps to minimize reputation risk in dealing with our customers and communities, this risk will always be present in our organization.

53. *Our business is affected by prevailing economic, political, and other prevailing conditions in India and the markets we currently service.*

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian economy, which in turn may adversely impact our business, prospects, financial performance, and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

54. *We face substantial competition in the textile business, both from Indian and international companies, which may adversely affect our revenues.*

We face significant competition from existing players and potential entrants in the Indian textile industry. The Indian textile industry is highly competitive. We face competition mainly from large vertically integrated and diversified companies as well as new companies. Some of our international competitors are larger than us and have greater financial resources. Additionally, we work closely with both our suppliers and our customers in the textile industry.

If such a supplier or customer considers backward or forward integrating and diversifying their operations, this may not only result in the loss of such supplier and/or customer but will also result in increased competition. Increased competition could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have an adverse effect on our business, results of operations and financial condition.

55. *Export destination country may impose varying duties or enter into free trade agreements with countries other than India.*

Any increase in such duties or the entering into free trade agreements with countries other than India may materially and adversely affect our business, financial condition and results of operations. There can be no assurance that the duties imposed by such country will not increase. Additionally, export destination country may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of any existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries and could adversely affect our business, financial condition and results of operations. Further, changes in import policies in the country to which we export our products may have a significant adverse impact on our business, financial condition and results of operations.

56. *Terrorist attacks, civil disturbances, regional conflicts, and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.*

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition, and trading price of our Equity Shares.

57. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

58. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations may adversely affect our business results of operations, cash flows and financial performance.*

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation, and implementation of any amendment to, or change to governing laws, regulation, or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas

operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition, and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

59. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares. The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

60. *Investors may have difficulty enforcing foreign judgments against us or our management.*

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

61. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Share.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any particular terms or at all.

62. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms or at all.

63. Enhanced Surveillance Measure (ESM): Our Company was subject to surveillance measure by Stock Exchanges

Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced surveillance measures such as Graded Surveillance Measure (GSM), Additional surveillance Measure(ASM), reduction in price band, periodic call auction and transfer of securities to Trade to Trade category from time to time.

The shortlisting of securities for placing in ESM framework is based on objective criteria as jointly decided by SEBI and Exchanges covering the following market based dynamic parameters:

- High Low Variation
- Close to Close Price Variation
- Market Capitalization
- Standard Deviation

The shortlisting of securities under ESM is purely on account of market surveillance and should not be construed as an adverse action against the concerned company/entity. Shares of our company have been moved out of ESM as on the date of letter of offer.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meetings held on February 13, 2024 pursuant to Section 62(1)(a) of the Companies Act and other terms of Rights Issue have been approved in the Board Meeting held on August 22, 2024.

The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled “*Terms of the Issue*” on page 120 of this Letter of Offer.

Particulars	Details of Equity Shares
Rights Equity Shares being offered by our Company	Up to 8,30,59,434 Equity Shares
Rights Entitlement for the Rights Equity Shares	7 Rights Equity Shares for every 23 fully paid-up Equity Shares held on the Record Date
Fractional Entitlement	<p>The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 7 Right Equity Share for every 23 Equity Shares held as on the Record Date.</p> <p>As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, hence the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement.</p> <p>Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 23 Equity Shares or is not in the multiple of 23 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements.</p> <p>However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.</p>
Record Date	August 28, 2024
Face Value per Equity Share	₹ 1/-
Issue Price	₹ 6/- per Rights Equity Share (including a premium of ₹ 5/- per Rights Equity Share)
Issue Size	Upto 8,30,59,434 Equity Shares of face value of ₹ 1/- each for cash at a price of ₹ 6/- per Equity Share (including premium of ₹ 5/- per Equity Share) amounting upto ₹ 4,983.57 lakhs
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue	<p>Issued and Subscribed capital: Rs. 27,35,44,840/- Paid up capital: Rs. 27,29,09,570/-</p> <p>For details, see “Capital Structure” beginning on page 41.</p>

Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Issued capital: Rs. 35,66,04,274 Subscribed capital: Rs. 35,66,04,274 Paid-up capital: Rs. 35,59,69,004
Money Payable at the time of the Application	Entire amount of ₹ 6/- per Equity Share
Scrip Details	ISIN: INE835A01029 BSE: 514175 NSE: VARDMNPOLY
ISIN for Rights Entitlements	INE835A20011
Terms of the Issue	For further information, see “ Terms of the Issue ” beginning on page 120.
Use of Issue Proceeds	For further information, see “ Objects of the Issue ” beginning on page 43.

Please refer to chapter entitled “Terms of the Issue” on page 120 of this Letter of Offer.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	September 12, 2024
Last Date for On Market Renunciation of Rights	September 24, 2024
Issue Closing Date*	September 27, 2024

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was incorporated as “**Punjab Mohta Polytex Limited**” under the Companies Act, 1956 vide Certificate of Incorporation dated August 20, 1980, with Registrar of Companies, Punjab, H.P. & Chandigarh bearing registration number 4242 of 1980 and received a Certificate for Commencement of Business on December 01, 1982, by Registrar of Companies, Punjab, H.P. & Chandigarh. Subsequently, the name of our Company was changed to “**Vardhman Polytex Limited**” and consequently, a fresh certificate of incorporation consequent on change of name dated August 20, 1991, under the Companies Act, 1956 was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh.

Registered and Corporate Office of our Company

Vardhman Park Chandigarh Road, Ludhiana - 141123,
Punjab, India.

Tel: 0161-6629888, 0161-6629990

Website: www.vpl.in

E-mail: info@vpl.in

Corporate Identity Number: L17122PB1980PLC004242

Registration Number: 004242

Address of the Registrar of Companies

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, Punjab & Chandigarh

1st Floor, Corporate Bhawan,
Plot No.4-B, Sector 27-B,
Chandigarh -160019,
Punjab, India.

Company Secretary and Compliance Officer

Ajay K. Ratra is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Ajay K. Ratra

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

Tel: + 91- 9646208545

E-mail: ajay.ratra@vpl.in

Lead Manager to the Issue

Arihant Capital Markets Limited

1011, Building, No 10, Solitaire Corporate Park,
Guru Hargovind Ji Road, Chakala Andheri(East),
Mumbai- 400093, Maharashtra, India

Tel: +91 22 42254800

E-mail: mbd@arihantcapital.com

Investor grievance e-mail: rbzipo@arihantcapital.com

Contact person: Mr. Amol Kshirsagar / Mr. Satish Kumar Padmanabhan

Website: www.arihantcapital.com

SEBI registration number: INM000011070

Legal Counsel to the Issue

M V Kini Law Firm

6/39 Jangpura-B
New Delhi 110 014
Tel: +91 11 2437 1038/39/40
Contact Person: Ms. Vidisha Krishan

Statutory Auditors of our Company

Romesh K. Aggarwal & Associates

B-XV-197, Adj. Singh Power Press,
G.T. Road, Miller Ganj, Ludhiana-141003
Tel: +91 9501400805
E-mail: caruchirsingla@yahoo.in
Firm Registration No.: FRN 000711N
Peer Review Certificate No.: 0138142

Registrar to the Issue

Alankit Assignments Limited

205-208, Anarkali Complex
Jhandewalan Extension
New Delhi -110 055
Tel: +91 011-4254-1966
E-mail: vplrights@alankit.com
Investor Grievance ID: vplrights@alankit.com
Website: www.alankit.com
Contact Person: Jagdeep Kumar Singla
SEBI Registration No.: INR000002532

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “Terms of the Issue” beginning on page 120.

Experts

Our Company has received consent from its Statutory Auditors, M/s. Romesh K. Aggarwal & Associates, through their letter dated June 08, 2024 to include their name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of and inclusion of the Audited Standalone Financial Statements and the audit report dated May 27, 2024 as applicable, and such consents have not been withdrawn as of the date of this Letter of Offer.

Our Company has received consent by way of a certificate dated May 30, 2024 from a cost accountant, namely M/s Ramanath Iyer and Co. to include its name in this Letter of Offer, as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the certificate issued by them in their capacity as a cost accountant, and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Banker(s) to the Issue

IndusInd Bank Limited
PNA House, 4th floor,

Plot No. 57 & 57/1, Road No. 17
Near SRL, MIDC, Andheri East
Mumbai – 400 093
Tel: +91-22-2261069318
E-mail: nseclg@indusind.com
Investor Grievance ID: reachus@indusind.com
Website: www.indusind.com
Contact Person: Kaushik Chatterjee
SEBI Registration No.: INBI00000002

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Last Date for credit of Rights Entitlements	September 11, 2024
Issue Opening Date	September 12, 2024
Last date for On Market Renunciation of Rights Entitlements [#]	September 24, 2024
Issue Closing Date*	September 27, 2024
Finalization of Basis of Allotment (on or about)	October 8, 2024
Date of Allotment (on or about)	October 8, 2024
Date of credit (on or about)	October 10, 2024
Date of listing (on or about)	October 11, 2024

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

*Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of the Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., September 24, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.alankit.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager, or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue – Procedure for Application*” beginning on page 127.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.alankit.com after keying in their

respective details along with other security control measures implemented thereat. For further details, see “*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” beginning on page 122.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares.

Inter se allocation of responsibilities

Since only one Lead Manager has been appointed for the purposes of the Issue, there is no requirement of an inter -se allocation of responsibilities.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

As the net proceeds of the Issue will be less than Rs. 10,000 Lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institutions or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book-building process.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than four days after our Company becomes liable to pay subscription amount or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Underwriting

This Issue is not underwritten.

Filing

SEBI vide its circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased from ten crores to fifty crores. Since the size of this Issue falls below the threshold, the Draft Letter of Offer will not be filed with SEBI.

The Draft Letter of Offer has been filed with BSE and NSE and the Letter of Offer would be submitted to BSE, NSE and SEBI for information and dissemination.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed, and paid-up share capital after the Issue is as set forth below:

(₹ in lakhs, except shares data)

	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	70,00,00,000 Equity Shares of the face value of Re. 1 each	7,000.00	-
B	ISSUED, SUBSCRIBED, AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	Issued and Subscribed Share Capital		
	27,35,44,840 Equity Shares of the face value of Re. 1 each	2,735.44	-
	Paid up Share Capital		
	27,29,09,570 Equity Shares of the face value of Re. 1 each	2,729.10	-
C	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER*		
	Issue of 8,30,59,434 Equity Shares of value of ₹ 1/- each at a premium of ₹ 5/- per Equity Share	830.59	4,983.57
D	ISSUED, SUBSCRIBED, AND PAID-UP SHARE CAPITAL AFTER THE ISSUE#		
	Issued Share Capital		
	35,66,04,274 Equity Shares of the face value of ₹ 1/- each	3,566.04	
	Subscribed Share Capital		
	35,66,04,274 Equity Shares of the face value of ₹ 1/- each	3,566.04	
	Paid up Share Capital		
	35,59,69,004 Equity Shares of the face value of ₹ 1/- each	3,559.69	
	SECURITIES PREMIUM ACCOUNT		<i>(in ₹ lakhs)</i>
	Before the Issue		9,256
	After the Issue		13,4093**

*The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated February 13, 2024 and August 22, 2024.

** Assuming full subscription of shares under rights issue

Our Board of Directors vide Board Resolution dated March 28, 2024 have approved the sub division of the equity shares from ₹ 10/- face value to ₹ 1/-.

#Assuming full subscription for and allotment of the Rights Entitlement.

NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
- The difference in Issued and subscribed capital is due to non-payment of call money on 63,527 equity shares and the same were thereafter forfeited.
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;

4. As on the date of this Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;

5. The Ex-rights price as referred under clause of (b) of sub-regulation 4 of regulation 10 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 with the Issue is ₹ 8.92 (Rupees Eight and Paise Ninety Two Only);

6. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares:**

On June 27, 2023, 1,30,00,000 warrants were allotted to the non-promoters on preferential basis. These warrants were convertible into equity shares of Rs. 10 each at a premium of Rs. 30.50 per share within 18 months from the date of allotment and 50,00,000 warrants were converted. As on the date of this Letter of Offer, the outstanding warrants are 80,00,000 convertible into 80,00,000 equity shares of Rs.10 each (equivalent to 8,00,00,000 equity shares of Re.1 each consequent upon sub-division of shares).

7. **Details of stock option scheme of our Company:**

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

8. **Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Letter of Offer with the designated stock exchange in case of a fast track issue and in any other case, the date of filing of the letter of offer with the Board:**

As on the date of this Letter of Offer, our Company has not issued any Equity Shares to the Promoter and Promoter Group of the Company in the last one year prior to the filing of this Letter of Offer:

9. **Intention and extent of participation by the promoter and promoter group in the issue:**

The Promoters of our Company through its letters dated May 31, 2024 and June 06, 2024, have declared their intention to not subscribe to proposed Rights Issue to the full extent of their Rights Entitlements. The Promoters of our Company will not subscribe to the Rights Issue.

10. The details of the Shareholding pattern as in the format prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as submitted to the stock exchanges, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/vardhman-polytex-ltd/vardmnpoly/514175/shareholding-pattern/> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VARDMNPOLY&tabIndex=equity>

11. The details of specified securities held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such specified securities can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=514175&qtrid=122.00&QtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VARDMNPOLY&tabIndex=equity>.

12. The details of the shareholders holding more than one per cent. of the share capital of the issuer can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=514175&qtrid=122.00&QtrName=June%202024>; and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VARDMNPOLY&tabIndex=equity>.

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the “**Gross Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the following objects:

- (A) To repay debts of the Company
 - (B) Modernisation of Plants
 - (C) General corporate purposes
- (collectively, referred to as the “**Objects**”)

The main objects clause and the objects ancillary to the main objects clause of our Memorandum of Association enables us to undertake our existing business activities and the activities proposed to be funded from the Net Proceeds.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Gross Proceeds #	4,983.57
Less: Issue Expenses	80.00
Net Proceeds	4,903.57

assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

<i>(₹ in lakhs)</i>	
Particulars	Amount
Repayment of debts of the Company	2,500.00
Modernization of plants	1,220.00
General Corporate Purposes*	1,183.57
Total net proceeds	4,903.57

*The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

Means of Finance

The funding requirements mentioned above are based on our Company’s internal management estimates and the same have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our management, subject to applicable law. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed utilization and schedule of deployment of funds

Our Company proposes to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Particulars	Amount proposed to be funded from Net Proceeds	Deployment Schedule FY 2024-25
Repayment of debts of the Company	2,500.00	2,500.00
Modernization of Plant	1,220.00	1,220.00
General Corporate Purposes*	1,183.57	1,183.57
Total net proceeds	4,903.57	4,903.57

* The amount to be utilised for general corporate purposes will not exceed 25% of the Gross Proceeds

The above fund requirements are based on internal management estimates and have not been appraised by any bank, or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board. However such revision would be done subject to applicable laws and Regulations and the same will not be subject to monitoring by any independent agency. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "Risk factors - The deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring Agency and shall be purely dependent on the discretion of the management of our Company" on page 26.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. Further, after meeting the fund requirements pertaining to repayment of debt and modernisation of plants as proposed, the balance net proceeds would be utilised towards GCP, however such that the expenses towards GCP shall not exceed 25% of the gross proceeds of the Rights Issue.

The main objects of the present Rights Issue being repayment of loan and modernization of plants are firm costs. However, in the event of any escalation in the estimates towards modernization of plants, such increase in costs would be met out of savings, if any, in the issue expenses or out of the amount allocated for General Corporate Purpose (GCP). **However, utilisation of funds would be done subject to applicable laws and Regulations.**

Details of the Objects

The details of the Objects of the Issue are:

(A) To repay debts of the Company

Our Company has in the ordinary course of business entered into various financing arrangements to avail unsecured loans from Phoenix ARC Private Limited, for details of the total borrowings, see "Financial Statements" beginning on page 88. As on August 18, 2024, we have ₹8605.58 lakhs as outstanding borrowings availed in the form of unsecured loans from Phoenix ARC Private Limited ("Outstandings") out of which we intend to pay ₹ 2,500 lakhs through the Net Proceeds of the Issue.

The following table provides details of borrowings/loans which are proposed to be redeemed from the Net Proceeds:

Name of the Lender	Nature of the borrowing	Sanctioned amount (in ₹ lakhs)	Principal loan amount Outstanding (in ₹ lakhs) as on August 18, 2024	Repayment Schedule (in ₹ lakhs)	Purpose for which disbursed loan amount was utilised
Phoenix ARC Private Limited	Assignment of Debts by Banks	11,280.61	8,655.58 (including additional Penal Interest (Q1 2024-	FY 24-25: 3,387.61 FY 25-26: 3,535.19	Dues of various banks taken over

		25) of Rs.50.40 Lakhs levied by Phoenix)	FY 26-27: 1,732.78 (upto Sept 2026)	(see note below**)
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Phoenix Liability Position as on August 18, 2024				Amount Rs. In Lacs		
Financial Liability as per Balance Sheet Schedule	Phoenix Liability As per LOA (in ₹ lakhs) (A)	Payment processed till Balance Sheet (in ₹ lakhs) (B)	Phoenix Liability As on March 31, 2024 (A-B) (in ₹ lakhs)	Payment processed Post Balance Sheet till August 18, 2024 (C)	Phoenix Total Liability as per Repayment Schedule till Sept 2026 on August 18, 2024 (D)	
Current Financial Liability	11,280.61	1,898.43	9,382.18	2912.93	734.41	2,178.52
Non-Current Liability as per Balance Sheet				4512.71	-	4,512.71
Other Current Liability PVF				1956.54	42.59	1,913.95
Total	11,280.61	1,898.43	9,382.18	9,382.18	777.00	8,605.18*

* It excludes additional Penal Interest (Q1 2024-25) of Rs.50.40 Lakhs levied by Phoenix.

**Chronology of Events:

- 1) On December 31, 2017, Vardhman Polytex Limited's (VPL) bank accounts were declared as Non-Performing Assets (NPA) effective December 31, 2011. This included loans from a consortium of 13 banks.
- 2) To address this issue, VPL successfully concluded the One Time Settlement (OTS) with the following consortium banks: Bank of India, Indian Bank (acting on behalf of Allahabad Bank), Punjab National Bank, Jammu & Kashmir Bank, and Punjab and Sind Bank.
- 3) Additionally, State Bank of India, United Bank of India, Canara Bank, Bank of Baroda, Bank of Maharashtra, Axis Bank, and Union Bank of India (representing Andhra Bank and Corporation Bank) transferred their respective shares to Phoenix ARC Private Limited
- 4) On November 8, 2023, VPL entered into restructuring agreements with Phoenix ARC Private Limited, resulting in the restructuring of the outstanding amount to Rs. 1,12,80,60,700.
- 5) As of August 18, 2024, the outstanding amount stands at Rs. 8,655.58 lakhs.

The repayment of Outstanding by utilizing the Net Proceeds will help reduce our outstanding indebtedness and reduce our interest cost to some extent.

Lender	Phoenix ARC Private Limited
Tenure	Till September 2026
Terms and conditions of the loan	Assignment of debts by Banks
Amount sanctioned / availed/restructured amount	Rs. 1,12,80,60,700/- as per LOA
Amount outstanding (as on August 18, 2024)	Rs. 8,605.58 Lakhs (excluding additional Penal Interest (Q1 2024-25) of Rs.50.40 Lakhs levied by Phoenix)
Purpose / usage of the loan	Dues of various banks taken over by the ARC
Penalty for pre-payment	Nil
Security	Core properties Located at Bhatinda, Ludhiana, Nalagarh and Non-Core properties located at located Bhatinda, Ludhiana, Kolhapur, Delhi
Hypothecated Properties	The Whole of Current assets namely raw material, Stock in process, semi-finished goods, stores and spares not relating to plant and Machinery (Consumable stores and spares) Bills Receivable and Book debts and all other assets and movable both present and future

Guarantors	Mr. Adish Oswal and Mrs. Manju Oswal
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(B) Modernisation of Plants

Funding capital expenditure requirement for up-gradation of our existing manufacturing unit (Rs. 1,220 lakhs)

Rationale for the CAPEX / up-gradation

The up-gradation is proposed for the cotton compact yarn manufacturing facilities at our Factory premises at Village – Nangal, Nihala/Uperla, Swarghat Road, Nalagarh Distt – Solan H.P. - 174101

The current capacity of the above unit is as under (On working of 363 days/annum):

Product	Capacity per Day	Capacity Per annum
100% Cotton Compact Yarn	21300 kg	7750050 Kg
Yarn Realization at Present		66.8%
No. of Spindles		40800
Average Count		33.2 Ne

The present production capacity, quality of the product and the available machineries are becoming bottlenecks in recent days with respect to profitability, price competitiveness & customer’s acceptability in terms of quality in Export as well as in domestic market. Further, the above unit is also facing the following constraints:

- Old version of technology like Loptex – contamination-clearing efficiency is reducing day by day, posing a persistent quality threat in final product in global market.
- Low productive LC-333 cards with higher waste level increases the cost of production.
- Murata Linkconers – Shorter frame size restricts to explore full potential of Ring frame productivity.
- Restricted flexibility of using dual mixing for coarser and finer count of yarn

Proposal for the up-gradation

Considering the above, our Company proposes the following up-gradation program thus enabling the company to deliver sustainable quality at reduced conversion cost thus making the Textile yarn business more profitable:

Scope of the Project

1. Replacement of 2 nos of LOPTEX – HRS-120 contamination clearers and up-gradation 1 no with modern /current technology LOPTEX – EXA. This will enable to remove more than 80% colored contamination and more than 60% in white PP contamination in cotton fibre and ensure us to achieve desired contamination level in fabric of 40 nos / 20 kg roll from existing 70-80 nos / 20 kg roll
2. Replacement of 12 nos of LC333 cards with latest/high productive LC-361 cards:
 - (a) Will support us in achieving better quality at higher production rate (52.5kg/hr against existing 49 kg/hr).
 - (b) Lower waste extraction by 1.5%.
 - (c) Total production of the plant will increase by 407 kg/day
3. Lower short fiber generation at card will facilitate to improve comber noil by another 1%.
4. One no. of Speed frame LF-4280 of 160 spindles capacity required to support increased final production capacity of 407 kg with qualitative gain of the product by making roving hank finer.
5. Link coner – With addition of 2 nos of Link coners, the true potential of Ring frame can be achieved, thus increase production capacity per day.

After executing above said proposal, the production capacity & Yarn realization would be as under (On working of

363 days/annum) :

Product	Capacity per Day	Capacity Per annum
100% Cotton Compact Yarn	21707 kg	7879641 Kg
Yarn Realization		69.3%
No. of Spindles		40800
Average Count		33.2 Ne

Thus, on a per day basis, the manufacturing capacity for Cotton compact yarn would increase by 407 kg/ day at better realization of 2.50%.

The capital expenditure towards the above up-gradation

Detail of Machinery

	Nos		Amount per unit (as per quotation)		Currency of quotation	Conversion rate	Amount (₹ in lakhs)		Total ₹ in Lakh	Import Duty (@7.50%+ 0.75%)	GST @ 18%	Grand Total (₹ Lakh)
	New	Retrofit	New	Retrofit			New	Retrofit				
Contamination Sorter (Loptex)	2	1	85,000	52,000	Euro	90.76	154.29	47.20	201.49	16.62	39.26	257.37
Carding MC Replacement (LMW-LC361)	12		33,37,000	-	Rs.		400.44		400.44		72.08	472.52
Link Corner (Savio)	2		1,73,501		Euro	90.76	314.94		314.94	25.98	61.37	402.29
Speed Frame (LMW)	1		53,39,200		Rs.	-	53.39		53.39		9.61	63.00
TOTAL									970.26			1,195.18
Freight/CHA/loading/unloading (approx)												25.00
Grand Total												1,220.18

*Increase/decrease in Rupee amount due to exchange fluctuation, if any, will be adjusted from the amount earmarked for General Corporate Purposes. *The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.*

We are yet to place orders for the above machineries. The estimates for the above have been arrived based on the quotations obtained as under :

Name of the Supplier	Machinery	Date of Quotation	Validity of the quotation
Vandewiele Savio India Private Limited	Link Corner (Savio)	August 20, 2024	Valid till October 31, 2024
Loptex SRL	Contamination Sorter (Loptex)	August 20, 2024	90 days from the date of the quotation
Laxmi Machine Works Limited	Speed Frame (LMW)	August 22, 2024	45 days from the date of the quotation
	Carding MC Replacement (LMW-LC361)		

The cost of the equipment for which orders are yet to be placed, have been estimated by taking the quoted values from the OEM.

No fresh approvals are required for the proposed up-gradation program from any government authority.

The cost of the up-gradation is proposed to be met out of the proceeds of the present rights issue.

Location of the project - the up-gradation is proposed to be implemented at our manufacturing facility at Village – Nangal,Nihala/Uperla, Swarghat road, Nalagarh Distt – Solan H.P. - 174101

Timeline Chart / Scheduling of the Project

Machinery	Expected date of placing the order with advance payment / LC opening	Arrival at Mill premise (Lead period + transit period)	Dismantling, Erection & commissioning	Performance optimization / fine tuning
Contamination Sorter (Loptex)	October, 2024	February, 2025	March, 2025	April, 2025
Carding Machine (LMW- LC 361)	October, 2024	January, 2025	April, 2025	April, 2025
Link Coner (Savio)	October, 2024	February, 2025	March, 2025	March, 2025
Speed Frame (LMW)	October, 2024	January, 2025	February, 2025	February, 2025

Plant and machinery, technology, process etc.

The proposed project is primarily for up-gradation of facility with respect to modernization. The up-gradation will enable the plant to be price competitive in export as well as in domestic market. The project will also enhance the manufacturing capacities of the Unit, the major advantage being edge in quality, improvement in conversion cost, flexibility of using suitable raw material according to product quality and running dual mixing which is currently not possible.

The proposed capex plan does not envisage any collaboration / performance guarantee or assistance in marketing.

Infrastructure facilities –the capex is proposed to be carried out at the existing Unit and as such infrastructure facilities for raw materials and utilities viz. water, electricity etc. are already available and no additional requirements are anticipated.

(C) General Corporate Purposes

Our Company proposes to deploy the balance of the net proceeds aggregating Rs. 1,183.57 lakhs towards general corporate purposes and such utilization shall not exceed 25% of the gross proceeds, in compliance with SEBI ICDR Regulations. The general corporate purposes for which we propose to utilize the net proceeds include meeting day to day expenses, including salaries and wages, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses for growing the business of the Company and meeting any other exigencies or other opportunities as considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including the provisions of the Companies Act.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board based on the permissible amount actually available under the head ‘General Corporate Purposes’ and the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any. In the event we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal

The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time subject to applicable laws and regulations. Our Board will have flexibility in utilising surplus amounts, if any, subject to applicable laws and regulations.

Expenses of the present Issue

The estimated Issue related expenses are as follows:

(₹ in lakhs)

Particulars	Expenses	% in Total Issue of expense	% of Total Issue Size
Fees payable to Lead Managers (including brokerage and selling commission)	21.00	26.25%	0.42%
Fees payable to the Registrar to the Issue	3.00	3.75%	0.06%
Fees payable to the auditors, consultants and market research firms to the Issue	2.50	3.13%	0.05%
Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	25.00	31.25%	0.50%
Printing and stationery	3.50	4.38%	0.07%
Advertising and marketing expenses	10.00	12.50%	0.20%
Fee payable to legal counsels and other professional service providers	5.00	6.25%	0.10%
Miscellaneous	10.00	12.50%	0.20%
Total	80.00	100.00%	1.61%

Interim use of Net Proceeds

Our Company, will have the flexibility to deploy the Net Proceeds towards the Objects outlined above subject to all applicable laws and regulations. Pending utilization for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the RBI Act as may be approved by our Board or Committee. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company or for any investment in equity markets.

Monitoring of utilisation of funds

As this is an Issue for an amount less than ₹ 10,000 lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Appraising Entity

The amount to be deployed towards the Objects of the Issue are based on management estimates and have not been appraised by any bank/ financial institution or independent agency.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

Except as disclosed above, there are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Vardhman Polytex Limited
Vardhman Park Chandigarh Road,
Ludhiana-, Punjab, 141123

Subject: Report on statement of possible special tax benefits (“the Statement”) available to Vardhman Polytex Limited (“Company”) and its shareholders, prepared in accordance with the requirement under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the ICDR Regulations”).

1. The accompanying Statement of Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as “the Statement”) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as “IT Act”), and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as "Indirect Tax Regulations") as on the signing date, for inclusion in the Draft Letter of Offer and Letter of Offer (“Offer Document”) prepared in connection with the Offer, has been prepared by the management of the Company in connection with the Offer, which we have initialled for identification purposes.

Management’s Responsibility

2. The preparation of this Statement as on the date of our report which is to be included in the Offer Document is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on May 06, 2024, for the purpose set out in paragraph 9 below. The management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities

Auditor’s Responsibility

3. Our work has been carried out in accordance with Standards on Auditing, the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the “ICAI”). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI
4. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the “SEBI ICDR Regulations”) and the Companies Act 2013 (‘Act’), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders, in accordance with the Act as at the date of our report.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.
6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offer

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available, to the Company and its shareholders, in accordance with the Act as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

- (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
- (ii) The conditions prescribed for availing the benefits as per the Statement have been/would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, and the concerned stock exchanges.

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

Ruchir Singla
Partner
M. No. 519347
Place - Ludhiana
Dated – May 23, 2024
UDIN - 24519347BKFJMI8936

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VARDHMAN POLYTEX LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Act applicable for the Financial Year 2023-24. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act.

I. Under the Income Tax Act, 1961 (the IT Act) (hereinafter referred to as "the Act") as amended from time to time, applicable for the Financial Year 2023-24 relevant to Assessment Year 2024-25.

A. Special tax benefits available to the Company under the Act.

1. Lower Corporate tax rate under section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act 2019 (the Amendment Act, 2019) w.e.f. April 01, 2020 granting an option to domestic company to compute corporate tax at a reduced rate of 25.17% (22 % plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemption/ incentives (e.g. deduction under Section 10AA, 32 (1) (iia), 33ABA, 35(2AB), 80-IA etc)

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (MAT) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02,2019 clarifying that since the MAT provision under Section 115JB itself would not apply where domestic company exercises option of lower tax rate under Section 115BAA, MAT Credit would not be available; Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company is eligible to exercise the above option.

B. Special tax benefits available to the shareholders.

There are no special tax benefits available to the shareholders of the Company under the Act.

Notes:

- ✓ The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis of listing of all the potential tax consequences of the purchase, ownership and disposal of shares.
- ✓ The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- ✓ The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment of 2023-24. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- ✓ The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2023-24 and accordingly, the special direct tax benefits, available for Financial Year 2023-24, are captured to the extent the same are relevant to a Company exercising such option. In this regard, it may also be noted that such option for Financial Year 2023-24 is yet to be exercised by the Company which could be done prior to furnishing the tax return of the Company for Financial Year 2023-24. The option once exercised cannot be subsequently withdrawn for the Same or any other Financial Year.

II. Indirect tax (Indirect tax regulations)

The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20 "FTP") (collectively referred as "Indirect Tax Regulations")

A. Special tax benefits available to the Company.

1. Benefits available to the company under Integrated Goods and Services Tax Act 2017 (IGST Act):

Supplies to Merchant Exporters: Under notification no. 40/2017 – Central Tax (Rate), dated 23rd October 2017 and notification No. 41/2017 – Integrated Tax (Rate) dated 23rd October 2017 provide for supplies for exports at a concessional rate of 0.05% and 0.1% respectively, subject to certain conditions specified in the said notifications.

It is clarified that the benefit of supplies at concessional rate is subject to certain conditions and the said benefit is optional. The option may or may not be availed by the supplier and / or the recipient and the goods may be procured at the normal applicable tax rate.

It is also clarified that the exporter will be eligible to take credit of the tax @ 0.05% / 0.1% paid by him. The supplier who supplies goods at the concessional rate is also eligible for refund on account of inverted tax structure as per the provisions of clause (ii) of the first proviso to sub-section (3) of section 54 of the CGST Act. It may also be noted that the exporter of such goods can export the goods only under LUT / bond and cannot export on payment of integrated tax.

B. Special tax benefits available to shareholders of the Company under Indirect tax regulations in India

The shareholders of the Company are not eligible to any special tax benefits under Indirect Tax Regulations.

Notes:

- ✓ This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- ✓ No assurance is given that the revenue authorities/ courts will the view expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the Views consequent to such changes. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis of listing of all the potential tax consequences of the purchase, ownership and disposal of shares.
- ✓ The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- ✓ The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- ✓ The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.
- ✓ The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
 - the Company or its shareholders will continue to obtain these benefits in future;
 - the conditions prescribed for availing the benefits have been/ would be met with; and
 - the revenue authorities/courts will concur with the view expressed herein.
- ✓ The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.
- ✓ The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

Market Size

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4.6% share of the global trade in textiles and apparel. 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\$ 65 billion by FY 2026.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

The Manufacturing of Textiles Index for the month of August 2023 is 106.9 which has shown a growth of 1.6 % as compared to August 2022. The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US\$ 1.17 million in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$ 138 billion to US\$ 195 billion by 2025.

India's textile and apparel exports stood at US\$ 20.01 billion in FY24 (April-October). Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 12.47 billion in FY24 (April-November). Exports for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 million) between April-June (2023-24).

Road ahead

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

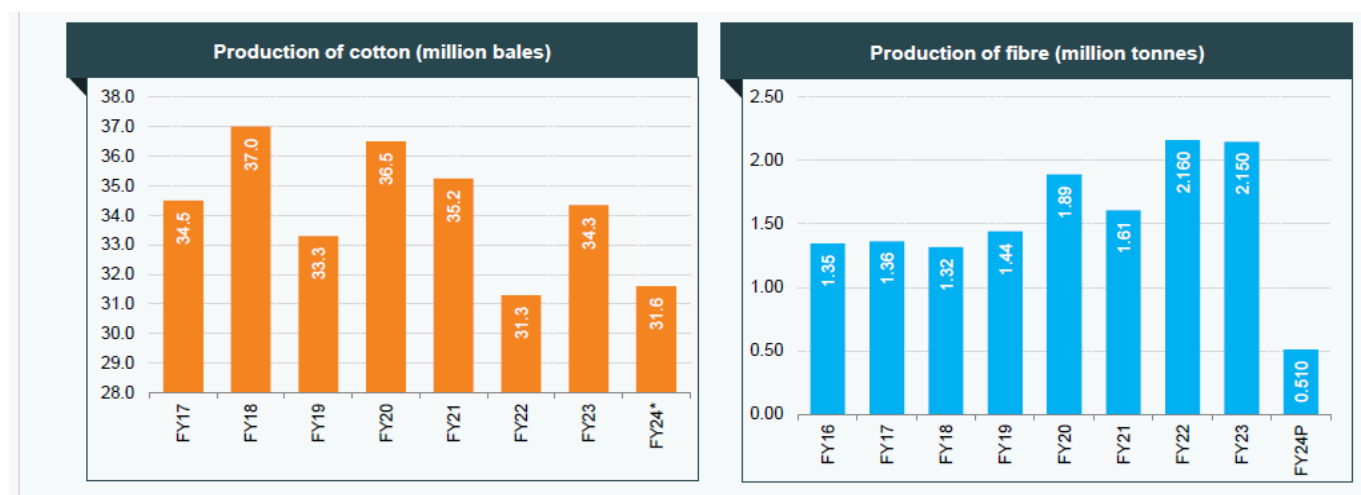
Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past

decade with the entry of several international players into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2023-24

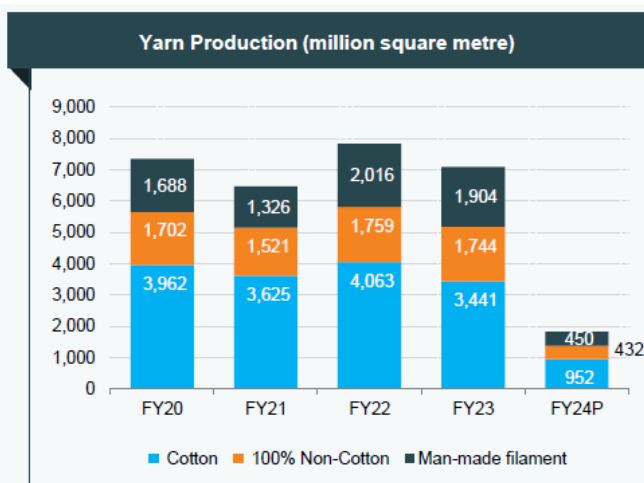
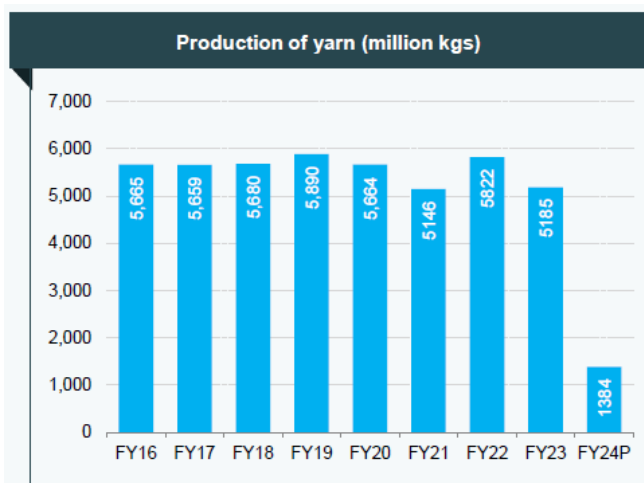
Market Overview



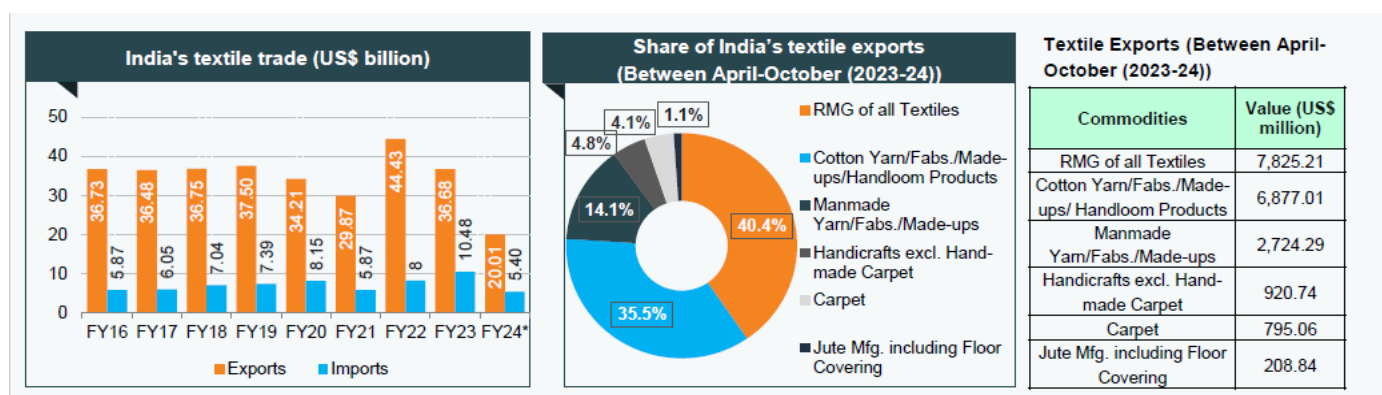
*Note: * Until September 2023; P – Provisional (April-June 2023-24)*

- India is the world’s largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales.
- Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$138 billion to US\$195 billion by 2025.
- The cotton production in 2022-23 is estimated to be 341.91 lakh bales (LB) with 80.25 LB in Maharashtra, 0.065 LB in Uttar Pradesh and 15.19 LB in Madhya Pradesh.
- According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills.
- Cotton and fibres are the two major segments in this category. Production of man-made fibre has also been on an upward trend.
- In 2022-23, the production of fibre in India stood at 2.15 million tonnes.

*Source: The Cotton Corporation of India Ltd, Business Line, Department of Agriculture Cooperation & Farmers Welfare
Source: www.ibef.org and Report on Textiles and Apparel available at www.ibef.org*



- Production of yarn grew to 5,185 million kgs in FY23.
- In H1 FY23, the Indian yarn exports were estimated at 28.9 crore kg.
- Expected production of filament yarn climbed by 49% and that of man-made fibres by 33% between April-January 2020 compared to the same period in 2019. Production of blended and 100% non-cotton yarn grew by 2% from April through January 2020 in comparison to the same timeframe in 2019.
- Between April-October 2021, yarn worth Rs. 83.91 crore (US\$ 10.52 million) was exported from India.



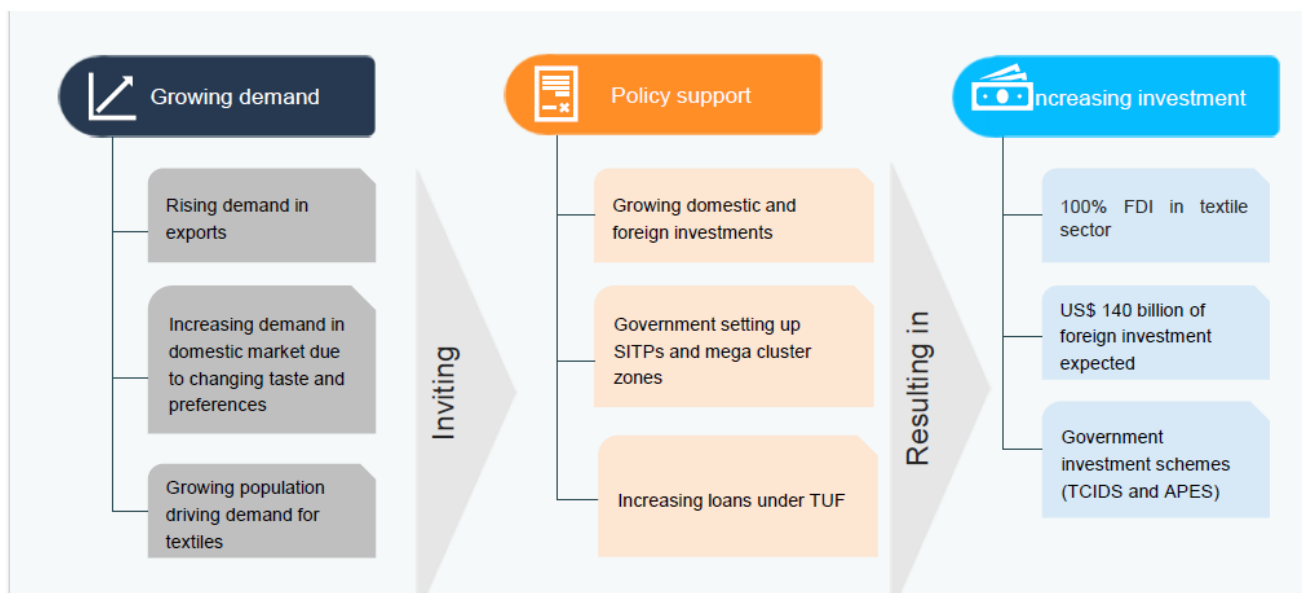
Note: * Until September 2023; RMG – Readymade Garments; imports include textile yarn fabric and made-up articles; Exports include RMG of all textiles, cotton yarn/fabs./madeups/ handloom products, man-made yarn/fabs./made-ups, handicrafts excl. handmade carpets, carpets, jute mfg. including floor coverings

- During (April-September) 2023-24, the total exports of textiles stood at US\$ 20.01 billion.
- Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 12.47 billion in FY24 (April-November).
- India's ready-made garment (RMG) exports are likely to surpass US\$ 30 billion by 2027, growing at a CAGR of 12-13%.
- In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made-ups until March 2021. This helped boost exports and enhance competitiveness in the labour-intensive textiles sector.
- In August 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs, Food and Public Distribution, Mr. Piyush Goyal, said that steps need to be taken to boost production capacities of the handloom sector from existing Rs. 60,000 crore (US\$ 8.06 billion) to 125,000 crore (US\$ 16.80 billion) in three years. He added that target must be set to increase exports of handloom items from existing Rs. 2,500 crore (US\$ 335.92 million) to Rs. 10,000 crore (US\$ 1.34 billion). He also announced that a committee would be constituted consisting of all weavers, trainer equipment makers, marketing experts and other stakeholders to recommend ways and means to achieve these objectives and enhance overall progress of the handloom sector.

Steady recovery in textile manufacturing to aid growth

- Textile manufacturing in India has been steadily recovering amid the pandemic. The Manufacturing of Textiles Index for the month of August 2023 is 106.9 which has shown a growth of 1.6 % as compared to August 2022.
- The seven mega textile parks announced in the Union Budget 2022-23 should attract investments.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.
- While the government is working towards upliftment of technical and MMF textile companies by upscaling its infrastructure, it is also interesting to note that textile will be added to the educational curriculum in the near future.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.

Strong fundamentals and policy support aiding growth



Source : www.ibef.org and Report on Textiles and Apparel available at www.ibef.org

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, investors should read "Risk Factors" on page 16, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 88 and 90, respectively of this Letter of Offer for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements and Limited Reviewed Financial Statements.

OVERVIEW

Our Company was incorporated as "**Punjab Mohta Polytex Limited**" under the Companies Act, 1956 vide Certificate of Incorporation dated August 20, 1980, with Registrar of Companies, Punjab, H.P. & Chandigarh bearing registration number 4242 of 1980 by Mohta Industries Limited, in joint venture with Punjab State Industrial Development Corporation Limited and received a Certificate for Commencement of Business on December 01, 1982, by Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, Punjab Mohta Polytex Limited was acquired by Vardhman Group through Mahavir Spinning Mills Limited along with the shareholding of Punjab State Industrial Development Corporation Limited.

Subsequently, the name of our Company was changed to "**Vardhman Polytex Limited**" and consequently, a fresh certificate of incorporation consequent on change of name dated August 20, 1991, under the Companies Act, 1956 was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh.

The financial performance of our Company as on March 31, 2024 is as follows:

Particulars	Year Ended March 31, 2024
Revenue from operations	37,063.81
EBITDA	(-) 1292.78
Profit/ (loss) after tax from continuing operation	(-) 2675.98
Profit/ (loss) after tax from discontinuing operation	-

Our Company is engaged in the manufacturing of cotton and blended yarn. It has production facilities located in Ludhiana and Nalagarh in India. The Company's principal activity is manufacturing of yarn & garments. Its product range includes yarns, and garments. It generates the majority of the revenue from the Textile Business.

Our Company diverse yarn portfolio spans Cotton (, Combed, Organic, BCI), Cotton-Polyester blends and Value-Added Yarn (Grey) across various counts by employing the finest raw materials, each thread adheres to the global standards, showcasing our commitment to excellence in yarn manufacturing.

TECHNOLOGY USED

Our Company is well-versed with textile technology as it is already operating since last 7 decades. Our spinning technology features globally acclaimed machineries made in Germany, Switzerland, Italy, USA, Japan & India, from renowned manufacturers like Rieter LMW, Kirloskar Totoya, Murata, Schlafhorst, Suessen, Loptex, Uster, Premier Evolvics, Mesdan, Volkmann & Luwa ensuring quality of products & efficiency in operation.

SPINDLES

As on March 31, 2024, following are the number Spindles:

Sr. No.	Plant	Spindles
1.	Ludhiana	24,288
2.	Nalagarh	40,800

PRODUCTION

Following are the details of production:

Grey Yarn

PRODUCT	COUNT RANGE	Production Qty. (M.T)
Grey cotton yarn – Combed	Ne 20s to Ne 40s	4122.00
Polyester cotton yarn (all Blends)	Ne 20s to Ne 40s	3692.22
Grey Cotton Compact Yarn	Ne 20s to Ne 40s	6252.2
Grey Cotton Organic Yarn	Ne 20s to Ne 40s	438.46
Samples		0.69
Total		14505.57

GROSS BLOCK AND NET BLOCK OF PLANT AND MACHINERY

As on March 31, 2024 gross block and net block of plant and machinery as follows:

(Rs. in Lakh)

	Corporate office	Ludhiana Plant	Nalagarh Plant	Total
Gross Block	158.68	8806.76	12710.66	21676.10
Net Block	10.12	1050.09	2607.10	3670.68

Further plant and machinery pertaining to Bathinda plant amounting to Rs. 1,009.04 Lacs has been classified under Assets held for sale.

HUMAN RESOURCES

Directors:

As on the date of this Letter of Offer, our Company has six Directors out of which one is an Executive Director and the remaining five are Non-Executive Directors including a woman director. There are three Independent Directors on the Board of Directors of our Company.

Details of Key Managerial Personnel and Senior Management

Sr. No.	Particulars	Designation
Key Managerial Personnel		
1.	Mr. Adish Oswal	Managing Director
2.	Mr. Radha Mohan	Chief Financial Officer
3.	Mr. Ajay Kumar Ratra	Company Secretary and Compliance Officer
4.	Mr. Dibyakant Singh*	Vice President – Human Resources
Senior Management		
1.	Mr. Amit Pandey	General Manager - Operations
2.	Mr. Parvinder Singh Bharaj**	Group Head Security and Administration

* Appointed w.e.f August 22,2024

**Mr. Parvinder Singh Bharaj has tendered his resignation on August 05, 2024 from the position of Group Head Security and Administration and he will be relieved on September 30, 2024.

List of Senior Management who have tendered their resignation after the date of last Balance Sheet (i.e. March 31, 2024)

Name	Designation
Mr. Sudipta Kumar Bhattacharyya	Senior VP- Finance and Strategy
Mr. Abhay Janardhan Munje	Vice President- IT
Mr. Rajesh Lakshmanan	Vice President- HRD
Mr. Parvinder Singh Bharaj	Group Head Security and Administration

Permanent Employees:

As on March 31, 2024 following are the permanent employees of our Company:

Unit Name	Department Name	Total No. of Employees
1110 – VPL - Corporate	Accounts	9
	Administration	16
	Business Affairs	1
	Business Excellence	1
	CMD Office	2
	Commercial	1
	Corporate Finance	1
	CRM	1
	Domestic Marketing	4
	Engineering	1
	Export	2
	Fin & Accounts	5
	Finance	1
	Finance & Strategy	1
	Human Resource Development	5
	I.T & System	4
	International Marketing	1
	Legal	2
	Legal & External Affairs	1
	Marketing	1
	Mis & Costing	1
	Operation	1
	Production & PPC	1
	Projects & Purchase	4
	Quality & Development	1
	Raw Material / Waste	5
	Secretarial	2
	Security	9
	Systems	1
	Taxation	1
Transport	8	
	Total	94
1240 - VPLB - Unit-3	CDG(M)	2
	Compressor	1
	Electrical	2
	Engineering	1
	Fin & Accounts	2
	Gen. Establishment	3
	Human Resource Development	1
	Maintenance	2
	Materials	1
	Others	1
	Post SPG (M)	1
	Sanitation	1
	Security	5
	Speed Frame (M)	2
	Store & Purchase	1
	Time Office	1
	Transport	1
	Total	28
1250 - VPLB - Unit-4	CDG(M)	1
	Civil	1
	Commercial	1

	D.G. Set	1
	Electrical	3
	Engineering	2
	Horticulture	4
	Maintenance	1
	Others	1
	Ring Frame (M)	1
	Sanitation	1
	Security	13
	Speed Frame (M)	1
	Store & Purchase	1
	Time Office	1
	Transport	1
	Work Shop	1
	Total	35
	Administration	3
	Commercial	4
	Engineering	5
	Industrial Relation	5
	Maintenance	5
	Personnel and Industrial Relation	3
	Production	8
	Research And Development	6
	Security	10
	Store & Purchase	3
	Time Office	3
	Transport	4
	Worker	329
1310 - VPLL - Unit-5	Total	386
	Administration	1
	Commercial	2
	Cutting	1
	Finishing	2
	Horticulture	1
	Production	1
	Quality & Development	1
	Sanitation	1
	Security	1
1610 - VPLL - AMK	Total	11
	Administration	8
	Blow Room	28
	Carding	6
	CDG(M)	5
	Civil	2
	Comber	13
	Commercial	4
	DF	29
	Electrical	9
	Electronic	2
	Engineering	4
	Fin & Accounts	3
	Horticulture	5
	Human Resource Development	7
	Humidity Plant	3
	I.T & System	1
	Industrial Relation	2
	Maintenance	2
1710 - VPLN - Unit-7	Mechanical	3

	Mis & Costing	1
	Operation	1
	Packing	15
	Personnel & Industrial Relation	1
	Post SPG	2
	Post SPG (M)	5
	Production	6
	R/F	125
	Research And Development	10
	Ring Frame (M)	13
	S/F	35
	Sanitation	7
	Security	17
	Speed Frame (M)	8
	Store & Purchase	4
	Winding	34
	Total	420
Grand Total		974

Temporary and Retainer Employees:

As on March 31, 2024 following are the temporary and retainer employees of our Company:

Unit Name	Casual Daily	Casual Monthly	Retainership	Grand Total
1240 - VPLB - Unit-3	7	-	-	-
1250 - VPLB - Unit-4	-	-	-	-
1410- VPLL - Dyeing House	-	-	1	1
1610 - VPLL - AMK	-	42	-	42
1710 - VPLN - Unit-7	-	-	-	-
1110 - VPL-Corporate	-	17	5	22
Grand Total	7	59	6	72

DETAILS OF OUR BUSINESS LOCATIONS

Our Company has one registered and corporate office situated at Vardhman Park Chandigarh Road, Ludhiana - 141123, Punjab, India, two plants at Ludhiana, and Nalagarh and one other office situated at 305, Ansal Bhawan, 16 KG Marg, New Delhi - 110001, India.

DETAILS OF OUR TOP 10 CUSTOMERS

Sr. No.	Particulars	Financial Year 2023-24		April- Dec. 2023	
		Amount (Rs. in Lakhs)	Percentage	Amount (Rs. in Lakhs)	Percentage
1	Income from Top 10 Customers	33,961.82	91.63%	27,186.89	91.55%

BUSINESS STRATEGY / APPROACH TO MARKETING

To develop export opportunities for our products

Currently, we are not directly exporting our products but we plan to expand our operations globally to strengthen our product infrastructure and overall manufacturing capabilities. India is one of the major exporter of Textile yarns while developed economies. Our product portfolio is primarily focused on offering differentiated products based on customer's requirements. Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to expand our global footprint and become a preferred exporter.

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment and in season management activities. This will help us improve sales and sell through, allowing us to increase sales and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory levels. With a strong focus on cash generation, we are also rationalizing and reducing our exposure to customer segments and channels that require us to maintain high levels of inventory or have longer payment cycles. We believe our focus on costs, network efficiency and asset turns will help us improve our profitability and return on capital employed.

Focus on Value Added Products

We intend to continue innovation in Design and product development of Yarns with more focus on cutting-edge technology which provides better functionality & aesthetics on account of its superior quality. We are also intent to focus on providing sustainable range of Eco-friendly yarns with Global Recycle Standard (GRS) certified Polyester & natural fibers.

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps in understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. We intend to focus on expanding our customer base and forming new long term relations with our customers by catering to their needs and demands in a timely, efficient and cost effective manner.

Investing in Advanced Technology

Our vertically integrated facilities are highly dependent on technology to ensure smooth and effective functioning, thereby making it conducive that we continue to modernize and upgrade the technology used by us. New technologies are constantly being developed for the various processes of manufacturing and we intend to invest in the latest available technology, plant and machinery to ensure that our manufacturing processes are up to date. We intend to continue upgrading our technology to keep ourselves competitive and efficient.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behaviour, which has helped us in achieving customer loyalty. We endeavour to continuously improve the count-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We intend to strengthen our existing marketing team by inducting personnel with expertise in the textile industry, who will supplement our existing marketing strategies in the domestic and international markets.

Training and Motivation of the staff

Training is an investment employers make in their work force. We focus on training and motivation of our staff on continuous basis. We educate our staff about product and market knowledge. Our Company gives opportunity to employees to continue to grow and develop through such trainings. Our management and employees exchange their ideas, views and opinions and for maintaining good competitive work atmosphere at all levels.

Creativity

Our Company has always been driven by the quest to develop something new and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match to attract our customers and dealers.

SALES AND MARKETING

We have deployed a team of efficient and dedicated marketing professionals for the marketing and promotion of our products in the unorganized and organized sector of the textile industry. Our marketing team constantly monitors and scours the trends in the

market. Regular interaction is required to maintain the client base and to gain insight into the quality and service needs of the diverse clientele in domestic and international markets.

We constantly seek to grow our product reach to underpenetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our network. Our success is dependent on our ability to enter and expand our network in new markets which is further dependent on our familiarity with the economic condition, customer base and commercial operations in new regions. With limited presence, our ability to gain market share is also dependent on our ability to compete with companies that may have an existing strong presence.

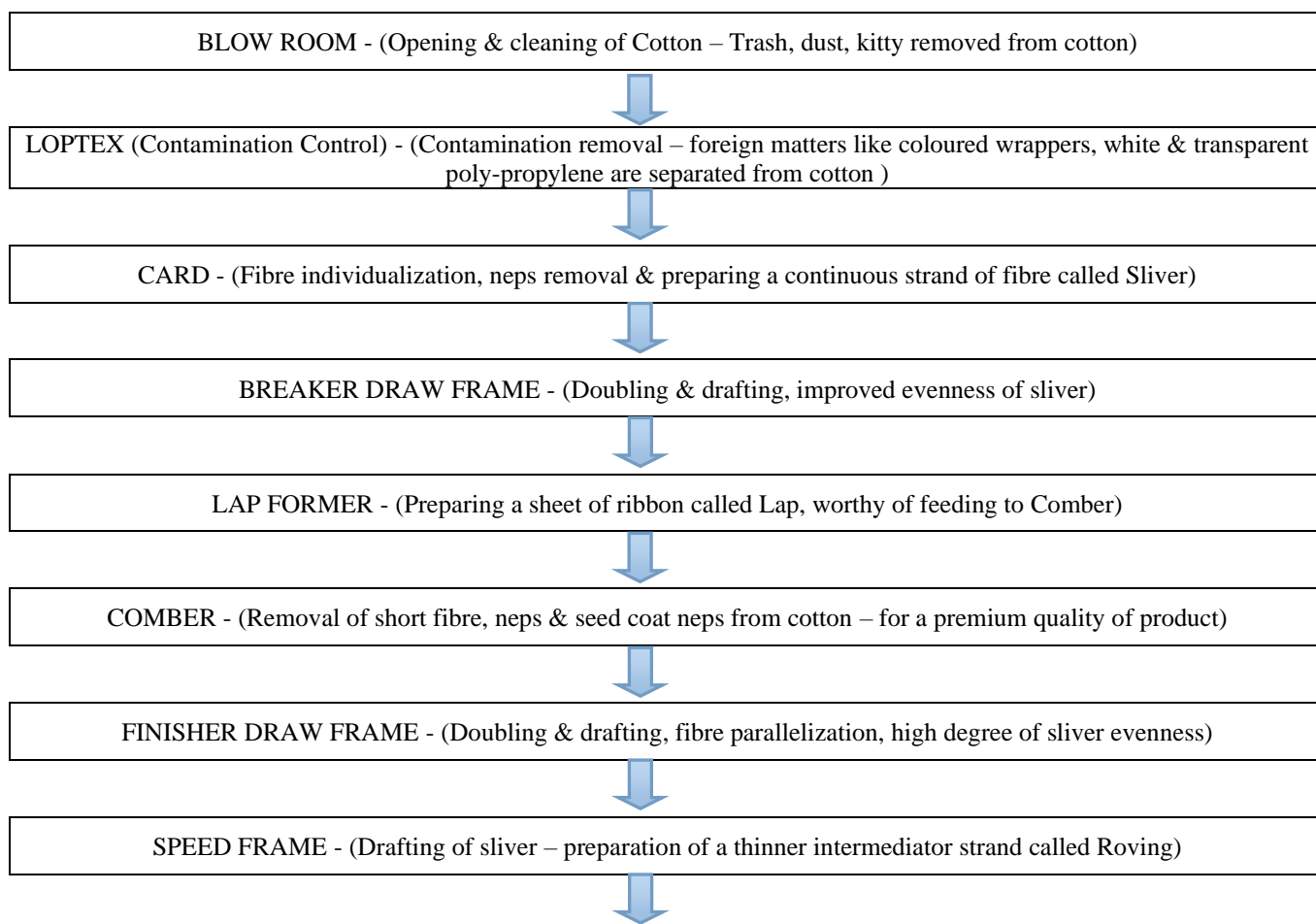
However, we may not be successful in expanding our network or increasing our market presence. Further, we may also face disruptions in selling our products for various reasons such as transportation bottlenecks, raw material inaccessibility, competition activities, labor issues, natural disasters, absence of professional & technical expertise, etc. which may result in disruptions to our business.

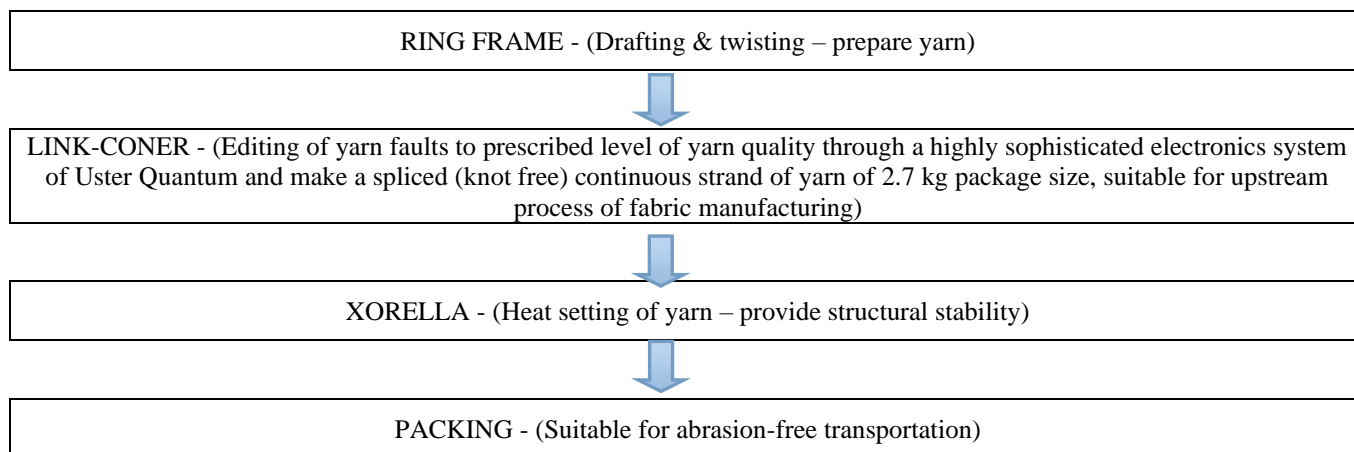
CAPACITY INSTALLED AND CAPACITY UTILIZATION

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three financial years

Sr. No	Address	Product	Year	Manufacturing capacity MT/ day	Utilized capacity MT/day	Utilization (%)
1	VPL, Ludhiana	Poly-Cotton blended yarn	2021-22	14.350	13.730	96.78
			2022-23	14.350	10.070	70.19
			2023-24	14.350	9.630	66.29
2	VPL, Nalagarh	Compact Cotton yarn	2021-22	21.350	21.280	96.12
			2022-23	21.350	12.410	54.00
			2023-24	21.350	18.460	81.79

BUSINESS PROCESS FLOW





QUALITY CONTROL AND TESTS AT EACH STAGE AT THE MANUFACTURING PROCESS

The raw materials procured and the finished products manufactured are checked and inspected by the Quality Control facility to ensure that the desired quality is achieved. All the units have comprehensive testing facilities for assessing the quality parameters of raw-material/inputs, in process materials and finished goods. Corrective action, if any, is taken on the basis of the tests carried out to ensure that the final products adhere to the desired quality standards.

OUR COMPETITIVE STRENGTHS

The prime strength of our Company lies in experience of the promoters who are in the same industry for more than last 70 years. The Company manufactures textile yarns for which cotton & Polyester are the prime raw materials. India being a cotton abundant country, it provides competitive strength as compared to exporters from China.

Long standing relationship with our customers.

Our business model is based on client relationships that are established over a period of time. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps us to understand the basic approach of our Company, its products and its market. It also forms the basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. Our Company's clients are majorly the wholesalers & Garment manufacturers.

Cost effective production and timely fulfilment of orders

Increased competition has encouraged the players in our industry to find innovative ways to reduce cost and increase the overall efficiency. We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. Our focus is to develop and adopt efficient technologies to further improve the quality of our products and optimize our production costs. We believe our focus on developing and implementing more sustainable methods in our operations will enable us to achieve cost leadership position.

Quality standards and Assurance

The success of our customers is dependent on the quality of our products. The Company's multi-pronged approach towards quality includes quality of work environment, technology and services offered. The Company conducts thorough quality check through in-depth testing and inspection based on customer requirements and international standards. The quality assurance measures taken by the Company include checking of all raw materials and production process and intensive care is taken to determine the standard of each & every meter of product dispatched.

Experienced and Qualified Management

We are led by a group of individuals, having a proven background and experience in the Textile Industry. Our Promoter and Managing Director has an experience of more than two decades in the textile industry. He is actively involved in the strategic decision making for the Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, quality control, business development and management of overall business. He has been instrumental in developing our business activities, growth and future prospects. We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, financial,

operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is professionally qualified and experienced in the textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets. As of 31st March, 2024, we had 974 full-time employees.

Established Marketing Setup

Our Company has been producing yarns and over the years, we have established a strong customer base. Our Company has sufficient marketing expertise and well established setup to sell its product to the wholesalers. Wholesaler further sell it to the Fabric houses / Garment manufacturers, those are our end users

Strong and diversified supplier base for sourcing of raw materials

Our Company has, over the years, developed a robust supply chain for the sourcing of the raw materials used in the manufacture of our products. The essential raw materials used in our manufacturing facilities include cotton, Polyester or similar synthetic fibres. Given that raw material expenses constitute a significant portion of our overall cost, we benefit majorly from a spread out and diversified supplier base.

Cotton being a natural agricultural & seasonal product, the purchase of cotton for the consumption in spinning industry during the whole year is concentrated to initial six months after the crop is harvested in Sept – October every year. A team of highly experienced agricultural professional engaged in various cotton producing station since prior to crop harvest. The quality of cotton fibre, which mainly depends on soil fertility, favourable rain & humidity, attack of insects during the growing period, are closely monitored in different demographic zones. The purchase decision of cotton bales are thus taken after reviewing availability, quality, practices of the ginning mills where this agricultural product cotton is transformed suitable for industrial use in Spinning Industry. This enables us to negotiate favorable terms and even avail consistent quality. Additionally, we believe that our diversified supplier base helps us in minimizing supplier risk on account of low supplier dependency.

We do not have any long-term contracts with any of our raw material suppliers, however, we have maintained long-term relationships with our major suppliers. We believe our strong relationships with our raw material suppliers enable us to obtain good quality raw materials within the required timelines. The final cost of our products is dependent on our ability to source good quality raw materials at acceptable prices and to maintain a stable and sufficient supply of our raw materials. To this effect, we also maintain a robust database of our suppliers. We have a stringent vendor qualification process which enables us to keep a periodic check on our suppliers with regard to the quality of materials supplied and the corresponding prices. We use these details for negotiating purchases in the future and for quality claims, which we believe is a very important aspect of our business operations.

OUR IMMOVEABLE PROPERTIES

Details of our immovable properties are as follows:-

- Details of the Leased Properties**

S. No.	City	Details of the Property	Deed Details and Parties	Consideration Value, Stamp Duty, Rent, Period and Registration	Property Type	Use
1.	Ludhiana	Area admeasuring 3.30 acres situated at Mundian Khurd, Ludhiana	Lease Deed dated June 26, 2024 between Stel-Tec Pvt. Ltd. and Vardhman Polytex Limited	Monthly Lease Amount: Rs. 2,32,920/- plus applicable taxes Lease Period: July 01, 2024 to May 31, 2025	Commercial	Registered and Corporate Office

Details of our Owned Properties:

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
1.	New Delhi	Unit No. 305 Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi -110001	Conveyance Deed dated June 19, 2015 between Ansal Properties & Infrastructure Ltd.	Consideration Value: Rs. 12,18,42,000/- Stamp Duty: Rs. 7,31,500/- Registration: Sub-Registrar VII, New Delhi, Registration No.	Office

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
			and Vardhman Polytex Limited	9827, Book No. 1, Volume No. 5568, On Page No. 77 to 89.	
2.	New Delhi	Flat No. 01/307 Ansal Classique Tower Rajouri Garden New Delhi	Allotment Letter Dated 13-06-2005	Consideration Value: Rs. 18,27,900/-	Office
3.	Nalagarh	Area measuring Bighas 8 Biswas 15 at Nangal Uperala	Seller- Mast Ram S/o Sh. Dharam Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 10,50,000 Stamp Duty- Rs. 1,26,000 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh On- August 19, 2004 Sale Deed No.- 2061	Industry
4.	Nalagarh	Area measuring Bighas 27 Biswas 2 at Nangal Nihla	Seller- Rahmu S/o Sahib Din Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 32,52,000 Stamp Duty- Rs. 3,90,240 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh On- August 19, 2004 Sale Deed No.- 2065	Industry
5.	Nalagarh	Area measuring Bighas 4 Biswas 3 at Nangal Nihla	Seller- Des Raj S/o Sh Amar Chand Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 5,10,000 Stamp Duty- Rs. 61,200 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2143	Industry
6.	Nalagarh	Area measuring Bighas 4 Biswas 10 at Nangal Nihla	Seller- Khushi Ram and Sukhdev Ss/o Sh Sohan Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 5,40,000 Stamp Duty- Rs. 64,800 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2148	Industry
7.	Nalagarh	Area measuring Bighas 2 Biswas 9 at Nangal Nihla	Seller- Pawan Kumar S/o Sh Pyare Lal Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 2,94,000 Stamp Duty- Rs. 35,300 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2146	Industry
8.	Nalagarh	Area measuring Bighas 5 Biswas 7 at Nangal Uperala	Seller- Amir Din and Wazir Din s/o Sh Julha Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 6,39,000 Stamp Duty- Rs. 76,700	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
				Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2149	
9.	Nalagarh	Area measuring Bighas 2 Biswas 0 at Nangal Uperala	Seller- Devi Ram and Tulsi Ram s/o Mansu Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 2,40,000 Stamp Duty- Rs. 30,000 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2144	Industry
10.	Nalagarh	Area measuring Bighas 10 Biswas 0 at Nangal Nihla	Seller- Mahendra Singh, Narendra Singh, Avtar Singh and Gurmeet Singh s/o Sh Lachmi Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 12,00,000 Stamp Duty- Rs. 1,44,000 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2147	Industry
11.	Nalagarh	Area measuring Bighas 0 Biswas 2 at Nangal Nihla	Seller- Khushi Ram, Sukhdev and Ranjit Singh s/o Sh Sohan Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 12,000 Stamp Duty- Rs. 1,450 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2145	Industry
12.	Nalagarh	Area measuring Bighas 3 Biswas 7 at Nangal Nihla	Seller- Ramzan Mohd S/o Anayat Mohd Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 4,02,000 Stamp Duty- Rs. 48,250 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on August 26, 2004 Sale Deed No.- 2150	Industry
13.	Nalagarh	Area measuring Bighas 0 Biswas 6 at Nangal Nihla	Seller- Gurjit Singh S/o Sh Gandu Ram Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 36,000 Stamp Duty- Rs. 4,320 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on January 15, 2005 Sale Deed No.- 69	Industry
14.	Nalagarh	Area measuring Bighas 4 Biswas 1 at Nangal Uperala	Seller- Ram Nath S/o Sh Devi Ram Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 22,27,500 Stamp Duty- Rs. 1,11,375 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on November 20, 2013 Sale Deed No.- 1790	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
15.	Nalagarh	Area measuring Bighas 1 Biswas 1 at Nangal Nihla	Seller- Ram Nath S/o Sh Devi Ram Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 5,77,500 Stamp Duty- Rs. 28,875 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on November 20, 2013 Sale Deed No.- 1789	Industry
16.	Nalagarh	Area measuring Bighas 16 Biswas 18 at Nangal Uperala	Seller- Sandeep jain s/o jawahar lal Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 29,57,500 Stamp Duty- Rs. 5,68,855 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on October 07, 2014 Sale Deed No.- 1605	Industry
17.	Nalagarh	Area measuring Bighas 22 Biswas 6 at Nangal Nihla	Seller- Sandeep jain s/o jawahar lal Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 39,02,500 Stamp Duty- Rs. 7,50,620 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on October 07, 2014 Sale Deed No.- 1607	Industry
18.	Nalagarh	Area measuring Bighas 4 Biswas 7 at Nangal Nihla	Seller- Sandeep jain s/o jawahar lal Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 7,61,250 Stamp Duty- Rs. 2,92,842 Registration- Tehsil Nalagarh, District Solan, Himachal Pradesh on October 07, 2014 Sale Deed No.- 1606	Industry
19.	Nalagarh	Area measuring 3 Bighas 10 Biswas at Nangal Nihla	Seller- Vardhman Spinning Mills Buyer- Vardhman Polytex Ltd.	Consideration- Rs 4,20,000 Stamp Duty- Rs. 50,400 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. - 2053	Industry
20.	Nalagarh	Area measuring 5 Bighas 11 Biswas at Nangal Nihla	Seller- Shafi Mohd S/o Sh Karma Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 6,66,000 Stamp Duty- Rs. 80,000 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2056	Industry
21.	Nalagarh	Area measuring 3 Bighas 3 Biswas at Nangal Nihla	Seller- Aba Dan S/o Sh Mohmada	Consideration- Rs. 3,78,000 Stamp Duty- Rs. 45,400	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
			Buyer- Vardhman Polytex Ltd.	Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2057	
22.	Nalagarh	Area measuring 0 Bighas 4 Biswas at Nangal Nihla	Seller- Smt Rajan D/o Sh Karma Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 24,000 Stamp Duty- Rs. 2,900 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2058	Industry
23.	Nalagarh	Area measuring 1 Bighas 3 Biswas at Nangal Nihla	Seller- Gurbachan Singh S/o Garb Chand Buyer- Vardhman Polytex Ltd.	Consideration- Rs.1,38,000 Stamp Duty- Rs.16,600 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2054	Industry
24.	Nalagarh	Area measuring 2 Bighas 9 Biswas at Nangal Nihla	Seller- Hem Raj S/o Sh Hari Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 2,94,000 Stamp Duty- Rs. 35,300 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2055	Industry
25.	Nalagarh	Area measuring 2 Bighas 7 Biswas at Nangal Nihla(1-17) Nangal Uperala (0-10)	Seller- Jagdish Lal S/o Sh Dharam Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 82,000 Stamp Duty- Rs. 3,840 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2072	Industry
26.	Nalagarh	Area measuring 4 Bighas 1 Biswas at Nangal Nihla	Seller- Bhag Singh S/o Mahantu Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 86,000 Stamp Duty- Rs. 58,320 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2075	Industry
27.	Nalagarh	Area measuring 6 Bighas 6 Biswas at Nangal Uperala	Seller- Sant Singh and Avtar Singh s/o Sh Atar Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 7,56,000 Stamp Duty- Rs. 90,720	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
				Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2076	
28.	Nalagarh	Area measuring 6 Bighas 19 Biswas at Nangal Uperala	Seller- Sukhdev Singh S/o Sh Sohan Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 8,34,000 Stamp Duty- Rs. 1,00,080 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2078	Industry
29.	Nalagarh	Area measuring 7 Bighas 11 Biswas at Nangal Uperala	Seller- Khushi Ram, Sukhdev and Ranjit Singh s/o Sh Sohan Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 9,06,000 Stamp Duty- Rs. 1,08,720 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2059	Industry
30.	Nalagarh	Area measuring 2 Bighas 1 Biswas at Nangal Uperala	Seller- Khushi Ram S/o Sh Sohan Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 2,46,000 Stamp Duty- Rs. 29,520 Registration- Tehsil Nalagarh, District Solan (Himachal Pradesh) on August 19, 2004 Sale Deed No. – 2060	Industry
31.	Nalagarh	Area Measuring -1 Bigha 14 Biswas at Nangal Nihal	Seller- Jagdish Lal and Mast Ram S/o Sh Dharam Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 2,04,000 Stamp Duty- Rs. 24,500 Registration- Tehsil Nalagarh, Distt Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2070	Industry
32.	Nalagarh	Area Measuring -5 Bigha 5 Biswas at Nangal Nihal	Seller- Jagdish Lal and Mast Ram S/o Sh Dharam Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 6,30,000 Stamp Duty- Rs. 75,600 Registration- Tehsil Nalagarh, Distt Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2071	Industry
33.	Nalagarh	Area Measuring -5 Bigha 14 Biswas at Nangal Nihal	Seller- Suleman S/o Sh Rahim Din Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 6,84,000 Stamp Duty- Rs. 82,100	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
				Registration- Tehsil Nalagarh, Distt Solan Himachal Pradesh on August 19,2004 Sale Deed No. – 2073	
34.	Nalagarh	Area Measuring -2 Bigha 13 Biswas at Nangal Nihal	Seller- Om Parkash and Tarsem Singh s/o Sh Devi Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 3,18,000 Stamp Duty- Rs. 38,200 Registration- Tehsil Nalagarh, Distt Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2074	Industry
35.	Nalagarh	Area Measuring 3 Bigha 1 Biswas at Nangal Nihal	Seller- Mohd Yusuf S/o Sh Ramzan Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 3,66,000 Stamp Duty- Rs. 44,000 Registration- Tehsil Nalagarh, Distt Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2077	Industry
36.	Nalagarh	Area Measuring 9 Bigha 19 Biswas at Nangal Nihal	Seller- Hari Singh S/o Sh Babu Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 11,94,000 Stamp Duty- Rs. 1,43,300 Registration- Tehsil Nalagarh, Distt Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2063	Industry
37.	Nalagarh	Area Measuring 9 Bigha 19 Biswas at Nangal Nihal	Seller- Hari Singh S/o Sh Babu Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 9,00,000 Stamp Duty- Rs. 1,08,000 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2062	Industry
38.	Nalagarh	Area Measuring 7 Bigha 10 Biswas at Uperala	Seller- Ajit Singh S/o Sh Mohar Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 12,06,000 Stamp Duty- Rs. 1,44,800 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No.- 2064	Industry
39.	Nalagarh	Area Measuring 17 Bigha 12 Biswas at Nangal Nihal	Seller- Pawan Kumar S/o Sh Pyare Lal Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 21,12,000 Stamp Duty- Rs. 2,53,500	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
				Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No.- 2066	
40.	Nalagarh	Area Measuring 5 Bigha 16 Biswas at Nangal Nihal	Seller- Harbans S/o Sh Ishar Sakan Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 6,96,000 Stamp Duty- Rs. 83,600 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2067	Industry
41.	Nalagarh	Area Measuring 4 Bigha 8 Biswas at Nangal Nihal	Seller- Sher Mohd S/o Ibra Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 5,28,000 Stamp Duty- Rs. 63,400 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. – 2068	Industry
42.	Nalagarh	Area Measuring 7 Bigha 18 Biswas at Nangal Uperala	Seller- Mohindra Singh and Gurbachan Singh Ss/o Sh Gian Singh Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 9,48,000 Stamp Duty- Rs. 1,13,800 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2069	Industry
43.	Nalagarh	Area Measuring 9 Bigha 2 Biswas at Nangal Nihal	Seller- Raj Kumar and Rakesh Kumar s/o Sh Jai Kishan Das Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 10,92,000 Stamp Duty- Rs. 1,31,100 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2049	Industry
44.	Nalagarh	Area Measuring 6 Bigha 17 Biswas at Nangal Nihal	Seller- Sadh Mohd and Bali Mohd So/o Sh Ali Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 8,22,000 Stamp Duty- Rs. 98,700 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2050	Industry
45.	Nalagarh	Area Measuring 3 Bigha 14 Biswas at Nangal Uperla	Seller- Sunder Singh, Randip Singh s/o and Smt Bimal Devi W/o Sh Bhawani Singh	Consideration- Rs. 4,44,000 Stamp Duty- Rs. 53,300	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
			Buyer- Vardhman Polytex Ltd.	Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2050	
46.	Nalagarh	Area Measuring 7 Bigha 1 Biswas at Nangal Nihal	Seller- Lajja Ram, Ram Partap and Bir Chandra Ss/o Sh Mula Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 8,46,000 Stamp Duty- 1,01,600 Registration- Tehsil Nalagarh, District Solan Himachal Pradesh on August 19,2004 Sale Deed No. - 2050	Industry
47.	Ludhiana	Area measuring 212 Bighas 3 Biswas at Mundian Khurd	Seller- Vardhman Spinnng Mills Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 8,50,000 Stamp Duty- Rs. 76,500 Registration- Sub Registrar Ludhiana on May 17, 2006 Sale Deed No.– 1481	Industry
48.	Ludhiana	Area measuring 2 Bighas 6 Biswas at Mundian Khurd	Seller- Vardhman Spinnng Mills Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 81,421,638 Stamp Duty- Rs. 19,483,700 Registration- Sub Registrar Ludhiana on November 11, 2014 Sale Deed No. – 1481	Industry
49.	Ludhiana	Area measuring 1612 sq ft on each floor at Housefed Complex Shaheed Bhagat Singh Nagar	Seller- Housefed (GF,FF,SF) Buyer- Vardhman Polytex Ltd.	Consideration- Rs. 2,100,000 Stamp Duty- Rs. 4,21,200 Registration- Sub Registrar Ludhiana on September 03, 2013 Sale Deed No. – 5080	Residential
49	Bathinda Factory/Industry)	Area measuring 265 Bigha 11 Biswa	Govt of Punjab	Consideration- Rs. 23,54,412.23 (P) Registration- Sub Registrar Bathinda on 28-08-1983 Sale Deed No. – 2755	Industry
50	Adjoinin g Land to Factory/Industry)	761.38 sq yds	Seller- Parveen Devi, Krishna Devi, Monika, Kanta rani	Sale Deed No. 5120 of 1/8/2011 Consideration- Rs. 16,00,000/- Stamp Duty- Rs. 1,28,000/- Registration- Sub Registrar Bathinda	Vacant land

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
51	Adjoining Land to Factory/Industry)	01 Bigha 10 Biswa	Seller- Ravinder Singh, Parminder Singh	Sale Deed No. 5542 of 9/8/2011 Consideration- Rs. 20,00,000/- Stamp Duty- Rs. 1,60,000/- Registration- Sub Registrar Bathinda	Vacant land
52	Adjoining Land to Factory/Industry)	05 Bigha 18-1/2 Biswa	Seller:- Nirmala Devi, Kewal Krishan, Surinder Singh, Parminder Singh	Sale Deed No. 7675 of 7/10/2011 Consideration- Rs. 71,12,000/- Stamp Duty- Rs. 5,70,000/- Registration- Sub Registrar Bathinda	Vacant land
53	Adjoining Land to Factory/Industry)	01 Bigha 06 Biswa	Seller-Veena Rani, Rajni	Sale Deed No. 7676 of 7/10/2011 Consideration- Rs. 15,64,000/- Stamp Duty- Rs. 1,25,500/- Registration- Sub Registrar Bathinda	Vacant land
54	Adjoining Land to Factory/Industry)	258 sq yds	Seller-Usha Rani	Sale Deed No. 7677 of 7/10/2011 Consideration- Rs. 5,42,000/- Stamp Duty- Rs. 43,500/-	Vacant land
55	Adjoining Land to Factory/Industry)	100 sq yds	Seller-Raj W/o Surinder Kumar	Sale Deed No. 8877 of 15/11/2011 Consideration- Rs. 2,25,000/- Stamp Duty- Rs. 18,000/- Registration- Sub Registrar Bathinda	Vacant land

Immovable properties purchased are not held in the name of our Company :

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
1.	Nalagarh	Area measuring Bighas 4 Biswas 11 at Nangal Nehla	Seller- Bhaga Ram and Ravinder alias Kaku Buyer- Subhash Chand.	Consideration- Rs. 7,67,500/- Stamp Duty- Rs. 38,500/- Registration-Tehsil Nalagarh, District Solan, Himachal Pradesh On-22-June-2011 Sale Deed No.- 556	Industry

S. No.	City	Details of the Property	Parties	Consideration Value, Stamp Duty and Registration	Use
2.	Nalagarh	Area measuring Bighas 00 Biswas 16 at Nangal Nehla	Seller- Rachan Jeet Singh Buyer- Subhash Chand.	Consideration- Rs. 3,20,000/- Stamp Duty- Rs. 16,000/- Registration-Tehsil Nalagarh, District Solan, Himachal Pradesh On-February 01, 2011 Sale Deed No.- 77	Industry
3.	Nalagarh	Area measuring Bighas 02 Biswas 03 at Nangal Nehla	Seller- Guravtar Singh Buyer- Subhash Chand.	Consideration- Rs. 4,51,500/- Stamp Duty- Rs.22,600/- Registration-Tehsil Nalagarh, District Solan, Himachal Pradesh On December 13, 2010 Sale Deed No.- 1093	Industry

INSURANCE

Our Company has various active Vehicle and Other Insurances in its name to secure vehicles, plant and machinery, office premises, and cash. Following are the details of the Insurances:

Vehicle Insurance:

Our Company has obtained following insurance policies for its Vehicles:

Sr. No.	Policy No.	Issued By	Policy Type	Premium Paid	Sum Insured	Period of Insurance	Vehicle Insured Details
1.	200422323400002110	Reliance General Insurance	Reliance Commercial Vehicles (Passengers Carrying 4W>6 & 3W>17) Package Policy	50,406/-	3,95,000/-	September 10, 2023 to September 09, 2024	Registration No. HP12E1794 Make / Model & Variant: Tata/LPO & 1512 TC Bus Engine No./Chassis No. 44347/35025
2.	VC807700	Future Generali India Insurance Company	General Insurance Service	10,317/-	99,275/-	April 01, 2024 to March 31, 2025	Registration No. PB03L9899 Make/Model of Vehicle - Toyota Qualis C1 Engine No. - 9831802 Chassis No. - 0000000001103342
3.	VC348224	Future Generali India	General Insurance Service	53,684/-	3,14,252/-	December 08, 2023 to	Registration No. PB03X1199

Sr. No.	Policy No.	Issued By	Policy Type	Premium Paid	Sum Insured	Period of Insurance	Vehicle Insured Details
		Insurance Company				December 07, 2024	Make/Model of Vehicle Tata LP 1109 Bus Str 36 Engine No. – 49098 Chassis No. - MAT386518A7J34511
4.	234000/31/2025/24	The Oriental Insurance Company Limited	GCCV- Public Carriers Other Than Three Wheelers Liability Only Policy - Zone C	18,093/-	-	April 01, 2024 to March 31, 2025	Registration No. PB 10 BL 4499 Make / Model Bolero Camper SC XL MDI TC PS 2WD BS2 Engine No. & Chassis No. - E48386C41051
5.	D149754659 / 30052024	Go Digit General Insurance Ltd.	Digit Two-Wheeler Liability Only Policy	842.52/-	-	May 31, 2024 to May 30, 2025	Registration No. PB10BP9941 Make / Model Passion Plus/Kick St Disc Brake Aws Engine No. X32621 Chassis No. 05J09C24609
6.	D115621151 / 12092023	Go Digit General Insurance Ltd.	Digit Commercial Vehicle Liability Only Policy	18092.88/-	-	September 15, 2023 to September 14, 2024	Registration No. PB10BQ0899 Make / Model TATA 207 DI PICK UP Engine No. 497SP27BUZ848473 Chassis No. 374415FUZ926211
7.	VD335043	Future Generali India Insurance Company	General Insurance Service	18,500/-	69,000/-	August 28, 2024 to August 27, 2025	Registration No. PB10BV6835 Make/Model of Vehicle - Mahindra & Mahindra Bolero Pick Up 2wd Bs3 (Single Cab) Engine No. – 26567 Chassis No. - 0000000000027754

Sr. No.	Policy No.	Issued By	Policy Type	Premium Paid	Sum Insured	Period of Insurance	Vehicle Insured Details
8.	234000/31/2025/23	The Oriental Insurance Company Limited	GCCV- Public Carriers Other Than Three Wheelers Liability Only Policy - Zone C	18,093/-	-	April 01, 2024 to March 31, 2025	Registration No. PB 10 C 9900 Make / Model Canter Engine No. & Chassis No. - 10070690100714697
9.	85000031230100003591	The New India Assurance Co. Ltd	Private Car Package Policy	17,014/-	7,37,650/-	February 09, 2024 to February 08, 2025	Registration No. PB-10-CR-9999 Make / Model Skoda/Octavia Chassis No. - TMBBJHNE5FA008199 Engine No. CRV117267
10.	234000/31/2025/429	The Oriental Insurance Company Limited	Motorised- Two Wheelers Package Policy - Zone B	1,020/-	10,000/-	May 16, 2024 to May 15, 2025	Registration No. PB 10 DB 1430 Make / Model Honda Motorcycle- Honda Activa Engine No. & Chassis No. - 057265 - 046450
11.	VC244265	Future Generali India Insurance Company	General Insurance Service	12,009/-	3,09,898/-	October 12, 2023 to October 11, 2024	Registration No. PB10DK2299 Make/Model of Vehicle - Mahindra Scorpio S2 Engine No. – 80970 Chassis No. - 000000000000J3187

Sr. No.	Policy No.	Issued By	Policy Type	Premium Paid	Sum Insured	Period of Insurance	Vehicle Insured Details
12.	234000/31/2024/3502	The Oriental Insurance Company Limited	Private Car Package Policy - Zone B	11,042/-	3,14,100/-	March 26, 2024 to March 25, 2025	Registration No. PB 10 DM 5599 Make / Model Toyota-Innova G1 Engine No. & Chassis No. - E990216 C170312
13.	132/02/11/0525/MTP/000041146	Future Generali India Insurance Company	General Insurance Service	6,692/-	435,251/-	May 16, 2024 to May 15, 2025	Registration No. PB10ER8899 Make/Model of Vehicle – Honda City 5th Genv Diesel BS-VI Engine No. – 11121544 Chassis No. - 000000000EN004895
14.	234000/31/2024/2338	The Oriental Insurance Company Limited	Private Car Package Policy - Zone B	6,639/-	2,62,440/-	December 25, 2023 to December 24, 2024	Registration No. PB 10 EZ 6699 Make / Model Toyota-Etios VD Engine No. & Chassis No. - 13939900093428
15.	VC865637	Future Generali India Insurance Company	General Insurance Service	8,634/-	-	April 15, 2024 to April 14, 2025	Registration No. PB515199 Make/Model of Vehicle – Mahindra & Mahindra 575 DI NBP Tractor Engine No. – E75756 Chassis No. - 0000000000C75756

Other Insurance:

Our Company has obtained following insurance policies for its Business:

Sr. No.	Policy No.	Issued By	Policy Type	Premium Paid	Sum Insured	Period of Insurance
1.	234000/21/2024/388	The Oriental Insurance Company Limited	Marine Cargo - Open Policy	1,771/-	50,00,000/-	December 26, 2023 to December 25, 2024

Sr · N o.	Policy No.	Issued By	Policy Type	Premium Paid	Sum Insured	Period of Insurance
2.	4066/319653676/00/000	ICICI Lombard General Insurance Company Limited	Comprehensive General Liability Insurance	59,000/-	2,50,00,000/-	November 30, 2023 to November 29, 2024
3.	234000/11/2025/285	The Oriental Insurance Company Limited	Standard Fire & Special Perils Policy Schedule	7,79,744/-	1,12,00,00,000 /-	July 01, 2024 to June 30, 2025
4.	234000/11/2025/286	The Oriental Insurance Company Limited	Standard Fire & Special Perils Policy Schedule	15,99,797/-	1,34,50,00,000 /-	July 01, 2024 to June 30, 2025
5.	234000/11/2025/284	The Oriental Insurance Company Limited	Standard Fire & Special Perils Policy Schedule	6,30,404/-	53,00,00,000/-	July 01, 2024 to June 30, 2025
6.	234000/11/2025/288	The Oriental Insurance Company Limited	Standard Fire & Special Perils Declaration Policy Schedule	1,90,216/-	15,00,00,000/-	July 01, 2024 to June 30, 2025
7.	234000/11/2025/287	The Oriental Insurance Company Limited	Standard Fire & Special Perils Declaration Policy Schedule	59,473/-	5,00,00,000/-	July 01, 2024 to June 30, 2025
8.	234000/11/2025/290	The Oriental Insurance Company Limited	Fire - Loss Of Profit Policy Schedule	2,94,980/-	24,80,00,000/-	July 01, 2024 to June 30, 2025
9.	234000/11/2025/289	The Oriental Insurance Company Limited	Fire - Loss Of Profit Policy Schedule	77,907/-	6,55,00,000/-	July 01, 2024 to June 30, 2025
10.	234000/21/2025/44	The Oriental Insurance Company Limited	Marine Cargo - Open Policy	2,000/-	20,00,000/-	April 22, 2024 to April 21, 2025
11.	234000/21/2024/48	The Oriental Insurance Company Limited	Marine Cargo - Open Policy	297/-	20,00,000/-	April 22, 2024 to April 21, 2025
12.	85000046241100000005	The New India Assurance Co. Ltd.	Portable Equipment Insurance Policy	15,161/-	51,39,404/-	April 01, 2024 to March 31, 2025
13.	85000011248000000003	The New India Assurance Co. Ltd.	New India Bharat Sookshma Udyam Suraksha Policy	12,130/-	2,57,00,000/-	April 01, 2024 to March 31, 2025
14.	234000/44/2025/84	The New India Assurance Co. Ltd.	Machinery Insurance Policy	3,304/-	7,00,000/-	July 01, 2024 to June 30, 2025
15.	85000048240300000004	The New India Assurance Co. Ltd.	Money Insurance	4,744/-	4,02,00,000/-	April 01, 2024 to March 31, 2025
16.	85000011248000000001	The New India Assurance Co. Ltd.	New India Bharat Sookshma Udyam Suraksha Policy	3,776/-	96,96,000/-	April 01, 2024 to March 31, 2025

Sr · N o.	Policy No.	Issued By	Policy Type	Premium Paid	Sum Insured	Period of Insurance
17.	85000046240100000008	The New India Assurance Co. Ltd.	Policy Schedule For Burglary (Multiple Locations With Specified Sum Insured) Insurance	130/-	22,00,000/-	April 01, 2024 to March 31, 2025
18.	85000011244300000001	The New India Assurance Co. Ltd.	New India Bharat Laghu Udyam Suraksha Policy	18,946/-	5,35,19,531/-	April 01, 2024 to March 31, 2025
19.	234000/48/2025/778	The New India Assurance Co. Ltd.	Electronic Equipment Insurance Policy	2,263/-	12,89,980/-	July 01, 2024 to June 30, 2025
20.	234000/44/2025/87	The New India Assurance Co. Ltd.	Electronic Equipment Insurance Policy	11,983/-	67,69,271/-	July 01, 2024 to June 30, 2025
21.	85000046240900000003	The New India Assurance Co. Ltd.	Policy Schedule For Fidelity Guarantee (Unnamed(Floating)) Insurance	17,110/-	2,00,00,000/-	April 01, 2024 to March 31, 2025
22.	85000042240100000016	The New India Assurance Co. Ltd.	Personal Accident Insurance	60,126/-	24,38,00,000/-	April 01, 2024 to March 31, 2025
23.	85000046240100000009	The New India Assurance Co. Ltd.	Policy Schedule For Burglary (Multiple Locations With Specified Sum Insured) Insurance	118/-	75,00,000/-	April 01, 2024 to March 31, 2025
24.	85000021240200000002	The New India Assurance Co. Ltd.	Marine Cargo Open Policy	1,32,750/-	1,00,00,00,000/-	April 01, 2024 to March 31, 2025
25.	234000/44/2025/85	The Oriental Insurance Company Limited	Machinery Insurance Policy	13,140/-	58,00,000/-	July 01, 2024 to June 30, 2025
26.	85000011248000000002	The New India Assurance Co. Ltd.	New India Bharat Laghu Udyam Suraksha Policy	7,521/-	1,93,90,800/-	April 01, 2024 to March 31, 2025
27.	234000/44/2025/86	The New India Assurance Co. Ltd.	Machinery Insurance Policy	3,889/-	20,00,000/-	July 01, 2024 to June 30, 2025
28.	234000/44/2025/84	The Oriental Insurance Company Limited	Machinery Insurance Policy	13,594/-	60,00,000/-	July 01, 2024 to June 30, 2025
29.	234000/11/2025/291	The Oriental Insurance Company Limited	Standard Fire & Special Perils Policy Schedule	53,650/-	26,13,00,000/-	July 01, 2024 to Oct 31, 2024

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Board of Directors

The composition of our Board is governed by and in conformity with the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in a general meeting, our Company shall not have less than three Directors and not more than twelve Directors.

Pursuant to the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-appointment. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As on the date of this Letter of Offer, our Company has six Directors out of which one is an Executive Director and the remaining five are Non-Executive Directors including a woman director. There are three Independent Directors on the Board of Directors of our Company.

The following table provides details regarding our Board as of the date of filing this Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN, and Date of Birth	Age (in years)	Other Directorships
<p>Mr. Adish Oswal</p> <p>Address: House No. 534, Spring Field College Road, Civil Lines, Ludhiana, Punjab – 141001, India</p> <p>Designation: Chairman and Managing Director</p> <p>Occupation: Businessman</p> <p>Term: Three years with effect from November 24, 2022</p> <p>Period of Directorship: Managing Director since September 29, 2018, and reappointed on November 24, 2022</p> <p>DIN: 00009710</p> <p>Date of Birth: January 18, 1980</p>	44	<ul style="list-style-type: none"> • Panchsheel Textile Mfg and Trading Company Pvt. Ltd. • Oswal Tradecom Private Limited • Kent Investments Private Limited • Calgary Investment and Trading Co. Pvt. Ltd. • Pioneer Mercantile India Pvt. Ltd. • Boras Investment and Trading Co. Pvt. Ltd. • Adesh Investment and Trading Company Private Limited • Alma Assets Consultancy Private Limited • Allepy Investment and Trading Co. Pvt. Ltd. • Oswal Holding Private Limited • Gagan Mercantile Company Private Limited • Ruby Mercantile Company Private Limited
<p>Mrs. Manju Oswal</p> <p>Address: House No. 534, Spring Field College Road, Civil Line, Ludhiana, Bharat Nagar Chowk, Punjab - 141001, India</p> <p>Designation: Non-Executive Director</p> <p>Occupation: Businesswoman</p> <p>Term: Not specified. Liable to Retire by Rotation under Section 152 of the Companies Act, 2013.</p> <p>Period of Directorship: Non-Executive Director since September 09, 2017</p> <p>DIN: 00009449</p> <p>Date of Birth: August 04, 1957</p>	66	<ul style="list-style-type: none"> • Enakshi Investments Private Limited • Liberty Mercantile Company Pvt Ltd • Nightnagle Dealcom Private Limited
<p>Mr. Suresh Kumar Banka</p>	62	Nil

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN, and Date of Birth	Age (in years)	Other Directorships
<p>Address: House No. 32190, Gali No. 10, Paras Ram Nagar, Bathinda, Punjab - 151001, India</p> <p>Designation: Non-Executive Director</p> <p>Occupation: Service</p> <p>Term: Not specified. Liable to Retire by Rotation under Section 152 of the Companies Act, 2013.</p> <p>Period of Directorship: Non-Executive Director since September 29, 2020</p> <p>DIN:08847246</p> <p>Date of Birth: July 05, 1961</p>		
<p>Mr. Sagar Bhatia</p> <p>Address: House No. 22, Khalsa Colony, Bhamian Khurd, Ludhiana, Punjab - 141008, India</p> <p>Designation: Non-Executive Independent Director</p> <p>Occupation: Service</p> <p>Term: Four years with effect from September 26, 2022</p> <p>Period of Directorship: Non – Executive Independent Director since September 26, 2022</p> <p>DIN:09691116</p> <p>Date of Birth: October 20, 1994</p>	29	Nil
<p>Mrs. Sanchi Taneja</p> <p>Address: H. NO-HM - 266, PHB Colony, Jamalpur Focal Point, Ludhiana, Punjab – 141010, India</p> <p>Designation: Non-Executive Independent Director</p> <p>Occupation: Professional</p> <p>Term: Four years with effect from August 18, 2023.</p> <p>Period of Directorship: Non-Executive Independent Director since August 18, 2023</p> <p>DIN: 08857114</p> <p>Date of Birth: July 15, 1991</p>	32	<ul style="list-style-type: none"> • FMI Limited
<p>Mr. Rohit Jain</p> <p>Address: House No. SCF 22-23, First Floor, Above Punjab and Sind Bank, Main Market, Kitchlu Nagar, Ludhiana, Punjab - 141001, India</p> <p>Designation: Additional Director (Non-Executive Independent Director)</p>	34	Taneja Jain & Associates, LLP

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN, and Date of Birth	Age (in years)	Other Directorships
Occupation: Professional Term: Upto the date ensuing Annual General Meeting. Period of Directorship: Non-Executive Independent Director since March 28, 2024 DIN: 07950251 Date of Birth: October 29, 1989		

Confirmations

None of the directors of Vardhman Polytex Limited (company) is or was a director of any listed company during the Five years preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of the directors of the company is or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last Ten years immediately preceding the date of filing of this Letter of Offer.

Details of Key Managerial Personnel and Senior Management

Sr. No.	Particulars	Designation
Key Managerial Personnel		
1.	Mr. Adish Oswal	Chairman & Managing Director
2.	Mr. Radhamohan	Chief Financial Officer
3.	Mr. Ajay Kumar Ratra	Company Secretary and Compliance Officer
4.	Mr. Dibyakant Singh*	Vice President - Human Resources
Senior Management		
1.	Mr. Amit Pandey	General Manager - Operations
2.	Mr. Parvinder Singh Bharaj**	Group Head Security and Administration

* Appointed w.e.f. August 22, 2024

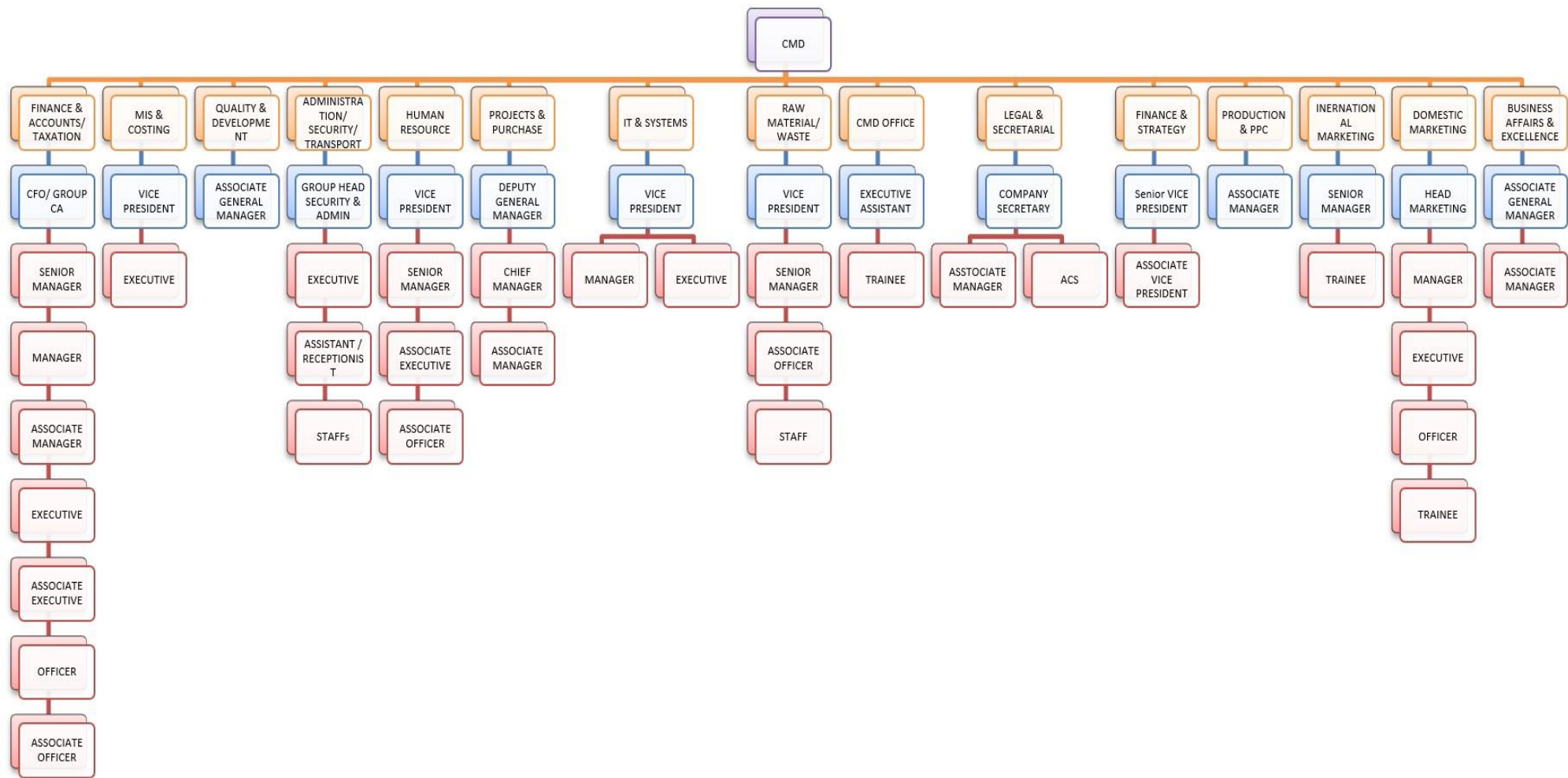
**Mr. Parvinder Singh Bharaj has tendered his resignation on August 05, 2024 from the position of Group Head Security and Administration and he will be relieved on September 30, 2024.

List of Senior Management who have tendered their resignation after the date of last Balance Sheet (i.e. March 31, 2024).

Name	Designation
Mr. Sudipta Kumar Bhattacharyya	Senior VP- Finance and Strategy
Mr. Abhay Janardhan Munje	Vice President- IT
Mr. Rajesh Lakshmanan	Vice President- HRD
Mr. Parvinder Singh Bharaj	Group Head Security and Administration

Management Organisation Structure

The management organisation structure of the Company is depicted from the following chart:



SECTION V - FINANCIAL INFORMATION
FINANCIAL STATEMENTS

S. No.	Details	Page Number
1.	Independent Auditor's Report for the year ended March 31, 2024 of our Company	F-1 to F-46
2	Limited reviewed accounts for the period ended June 2024 of our Company	F-47 to F-50



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VARDHMAN POLYTEX LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **VARDHMAN POLYTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statement, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter stated in the "Basis for Qualified Opinion" section of this report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified opinion

Note No. 49 of the Ind AS financial statements regarding crediting a profit of Rs 396.44 Lacs due on payment of FCCB liability to the statement of profit & loss during the year ended March 31, 2017 which should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 216,116 USD as on March 31, 2024 is not in compliance with the requirements of para 27 of the Ind AS 1- Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis. Consequently, the profit and loss has been overstated by the above mentioned amount. The company has settled the matter with Axis bank where in a payment plan has been agreed (Final Payment date being 30th September, 2024).

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes to the Ind AS Financial Statements</p>	<p>Principal Audit Procedures:</p> <p>Obtained details of completed tax assessments and demands till the year ended March 31, 2024 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

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

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

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

Vardhman Polytex Limited



Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

1. A) As required by Section 143(3) of the Act, based on our audit we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations as at 31 March 2024 on the financial position of the company. Refer note 39 to the financial statements.
 - ii) The Company has long-term contracts as at March 31, 2024 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2024.
 - iii). There are no amounts to be transferred to the Investor Education and Protection Fund by the company.
 - iv) (a) The management has represented that, to the best of its knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented, that, to the best of its knowledge and belief, that no funds have been received by the Company or its joint operation from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (c) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



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

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

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-
Ruchir Singla
Partner

Place - Ludhiana
Dated - May 27, 2024

M. No. 519347
UDIN - 24519347BKFJML5782

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.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

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

Sd/-
Ruchir Singla
Partner

Place - Ludhiana
Dated – May 27, 2024

M. No. 519347
UDIN - 24519347BKFJML5782

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

- (d) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not revalued its Property, Plant and Equipment or Intangible assets or both during the year.
- (e) According to the information and explanation given to us and on the basis of our examination of the records of

the company, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made thereunder.

- (ii). (a) As explained to us, the inventories were physically verified during the year by the management at reasonable interval. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on such verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

Vardhman Polytex Limited



- (b) According to the information and explanation given to us and on the basis of our examination of the records, during the year the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a consortium of banks on the basis of the security of current assets. The company is not availing any working capital limits from any bank/financial institutions. Therefore, no quarterly statements are required to be submitted.
- (iii). According to the information and explanation given to us and on the basis of our examination of the records of the company, the company, during the year, has not made any investment in, or provided guarantees or security or granted any loan or advances in the nature of loan, secured or unsecured to companies, firm, limited liability partnership.

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

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

Particulars	Loans	Advance in the nature of Loans
Aggregate amount during the year		
- Employees	6.50 Lacs	Loan
- Others	Nil	NA

- b) The terms and conditions of the grant of all the above-mentioned loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the receipt have been regular except Rs 3.55 Lacs which is not received regularly. This amount pertains to those employees who left and the same will be adjusted when full and final payment is made.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the company, Rs 3.55 Lacs is overdue amount for more than ninety days in respect of loan given.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence reporting under clause (iii)(f) is not applicable.
- (iv). According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v). The company has not accepted any deposits or amounts which are deemed deposit from the public. Accordingly, clause (v) of the order is not applicable.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii). According to information and explanations given to us in respect of statutory dues:

- (a) The Company has been generally regular in depositing undisputed statutory dues including Goods and service tax, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities except for Provident Fund which is outstanding for a period exceeding six months as on March 31, 2024.

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

- (b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2024 on account of dispute are given below:



Name of the statute	Nature of dues	Period to which it pertains	Amount in dispute	Forum where dispute is pending	Amount deposited	Matter of disputed
Central Excise Act, 1944	Excise Duty	1997-98	42.34	Hon'ble Punjab & Haryana High Court, Chandigarh	42.34	Difference on account of loose and packed yarn
	Excise Duty	2004-05	28.93	CESTAT, New Delhi	-	Cenvat credit on input has been reversed.
	Excise Duty	2008-09	103.2	Additional Commissioner C.E. Commissionerate, Chandigarh	7.74	Rebate on exports.
	Excise Duty	2009-10	1.14	Joint Secretary to Govt. of India, Ministry of Finance, New Delhi	-	Rebate on exports.
	Excise Duty	2014-15	168.55	Hon'ble Punjab & Haryana High Court, Chandigarh	-	Rebate on exports.
	Excise Duty	2014-15	22.42	Joint Secretary to Govt. of India, Ministry of Finance, New Delhi	-	
	Excise Duty	2017-18	50.63	Joint Secretary to Govt. of India, Ministry of Finance, New Delhi		
	Excise Duty	2017-18	66.92	Central Excise (Appeals), Chandigarh	5.02	
Service tax act	Service tax	2004 – 05, 2005 – 06 and 2006 – 07	14.11	CESTAT, New Delhi	1.41	Service Tax on Overseas commission
	Service tax	2009-10	1.27	CESTAT, New Delhi	-	SCN for Service Tax refund claimed.
Income Tax Act	Income tax	1998-99 to 2002-2003, 2007-2008, 2016-2017, 2017-2018	10476.02	CIT (Appeals), Ludhiana	25.69	Disallowance of deduction under section 80HHC & 80M, 44AD & 68 of Income Tax Act, Disallowance of Interest u/s 36(1)(iii) for investment in subsidiary companies, Disallowance of depreciation on profit on buy back of FCCB Bonds.
	Income tax	2004-2005, 2005-2006, 2006-2007, 2011-2012 to 2015-16	528.22	ITAT, Chandigarh	41.66	Disallowance of Interest u/s 36(1)(iii) for investment in subsidiary companies, computation u/s 14A, Interest disallowance on advances to subsidiary companies u/s 36(1)(iii) Disallowance of depreciation on profit on buy back of FCCB Bonds, Subscription of Share Capital - Section 68
	Income tax	1998-99 to 2001-2002, 2003-2004, 2004-2005, 2008-09 to 2010-2011	527.14	Hon'ble Punjab & Haryana High Court, Chandigarh	152.65	Disallowance of deduction under section 80HHC, 80IB & 80M, Disallowance of Interest u/s 36(1)(iii) & as revenue expenditure or capital expenditure though matter decided by Hon'ble SC in our favor and levy of interest u/s 234 D, Disallowance u/s 14-A.
	Income tax	2015-16 & 2016-17	3430.37	DCIT (TDS)	-	Failure to deduct TDS u/s 271C
	Income tax	2016-17	203.21	ITO (TDS)	-	Failure to deduct TDS u/s 271C
	Punjab General Sales Tax Act	Punjab Vat	2000-01, 2001-02	17.61	DETC Appeal	4.41
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.

Vardhman Polytex Limited



Name of the statute	Nature of dues	Period to which it pertains	Amount in dispute	Forum where dispute is pending	Amount deposited	Matter of disputed
	Punjab Vat	2008-09	62.14	VAT Tribunal, Punjab	-	Disallowance of ITC on Diesel & reversal of entry tax in respect of branch transfer & 19(5)
	Punjab Vat	2009-10	79	VAT Tribunal, Punjab	-	ITC on diesel, Reversal of 19(5) in exempted units, reversal of entry tax in respect of branch transfer & 19(5).
	Punjab VAT	2011-12	18	DETC Appeals, Faridkot	4.5	Interest on additional demand.
	Punjab VAT	2012-13	8.73	DETC Appeals, Faridkot	4.02	Interest on additional demand.
Wealth Tax Act	Wealth Tax	A.Y. 1998-99	2.47	ITAT, Chandigarh	-	Dispute on valuation of land

- (viii) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclose any transaction, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax act, 1961 (43 of 1961) as income during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us as on March 31, 2024, the Company has defaulted in the repayment of dues to Phoenix ARC as per the LOA's signed to the tune of ₹ 5.37 Cr, out of which ₹ 3.02 Cr has been paid as on date of signing of financial statements and the audit report.
- Also, in respect of Foreign Currency Convertible Bonds (FCCB), the instalment as settled with Axis bank pertaining to March 2024 amounting to USD 1,08,058 is in default as on March 31, 2024.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company is not declared willful defaulter by any bank or financial institution or government or government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, the company has not been granted any term loan during the year.
- (d) According to the information and explanation given to us and on the basis of overall examination of the balance sheet of the company, we report that no fund has been raised on short- term basis.
- (e) According to information and explanation given to us and on overall examination of financial statement of the company, we report that Company has not taken fund from any entity or person on account of or to meet the obligation of its subsidiaries, associate or joint venture.
- (f) According to information and explanation given to us and procedure performed by us, we report that the company has not raised loans during the Year on pledge of securities held in its subsidiaries, joint ventures, or associate company (as defined under the act).
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year, Accordingly Clause, (x)(a) of the Order is not applicable.
- (b) During the current year 130,00,000 share warrants have been issued to non- promoters. Out of which equity shares have been allotted on conversion of 50,00,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, balance 80,00,000 convertible warrants stand pending for conversion according to the terms.
- (xi) (a) Based on the examination of the books and records of the company and according to the Information and explanation given to us, considering the principle of materiality outline in the standard of auditing we report that no fraud by the company or on the company has been noticed or reported during the course of the audit.
- (b) According to information and explanation given to us, no report under sub- section (12) of section 143 of the act has been filed by the auditors in form ADT-4 as prescribed Under Rules 13 of Companies (Audit and Auditor) Rules, 2014 with the central government during the year and upto the date of this report.
- (c) The auditor has not received any complaints from whistle-blower during the year. Therefore, reporting under clause (xi)(c) of the order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.



(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit report of the company issued till date for the period under audit.

(xv) According to information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected its directors and hence the provision of section 192 of the companies act 2013, are not applicable.

(xvi) (a) According to information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore provision of clause (xvi)(a), (b) and (c) of the order are not applicable to company hence not commented upon.

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

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

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

(xix) According to the information and explanation given to us and on the basis of financial ratio, ageing and the expected dates of realization of the financial assets and payment of financial liabilities, other information accompanying the

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

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

(xxi) The reporting under clause 3(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 - 24519347BKFJML5782

Place - Ludhiana

Dated - May 27, 2024

Vardhman Polytex Limited



BALANCE SHEET AS AT 31ST MARCH 2024

(₹ in Lakh)

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

Significant accounting policies 1
The accompanying notes form an integral part of these financial statements

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

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

Sd/-
Ruchir Singla
Partner
Membership No. 519347
UDIN- 24519347BKFJML5782

Sd/-
Manju Oswal
Director
DIN-00009449

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

Place: Ludhiana
Date: 27th May 2024

Sd/-
Ajay K. Ratra
Company Secretary

Sd/-
Radhamohan Soni
Chief Financial Officer



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

(₹ in Lakh)

Particulars	Notes No.	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue			
Revenue from operations	27	37,063.81	61,551.04
Other incomes	28	2,897.18	615.82
Total Income (I)		39,960.99	62,166.86
Expenses			
Cost of material consumed	29	32,034.82	46,825.84
Purchase of traded goods	30	-	4,088.19
Changes in inventories of finished goods	31	471.75	2,126.15
Employee benefit expense	32	3,828.45	4,518.37
Finance costs	33	335.25	5,340.09
Depreciation and amortization expense	2	1,047.95	1,219.39
Power & Fuel Cost	34	3,473.75	4,462.72
Other expenses	34	1,445.00	3,156.60
Total expenses (II)		42,636.97	71,737.35
Profit before exceptional items and tax (I-II = III)		(2,675.98)	(9,570.49)
Exceptional items (IV)/(Income)	35	-	(9,719.63)
Profit before tax (III - IV = V)		(2,675.98)	149.14
Tax expense (VI)			
Current tax		-	-
Deferred tax (credit)		-	-
Profit for the period from continuing operations After Tax (V - VI = VII)		(2,675.98)	149.14
Other Comprehensive Income (VIII)			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligation		(32.11)	(23.81)
Total Comprehensive Income for the period (VII + VIII = IX)		(2,708.09)	125.33
(Comprising Profit (Loss) and Other Comprehensive income for the period)			
Earnings per equity share	38		
Basic		(10.83)	0.67
Diluted		(8.31)	0.67
The accompanying notes form an integral part of these financial statements			

As per our report of even date

For Romesh K. Aggarwal & Associates

Chartered Accountants

Firm Reg. No:-000711N

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

Sd/-

Ruchir Singla

Partner

Membership No. 519347

UDIN- 24519347BKFJML5782

Sd/-

Manju Oswal

Director

DIN-00009449

Sd/-

Adish Oswal

Chairman & Managing Director

DIN-00009710

Sd/-

Ajay K. Ratra

Company Secretary

Sd/-

Radhamohan Soni

Chief Financial Officer

Place: Ludhiana

Date: 27th May 2024

Vardhman Polytex Limited



CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2024

(₹ in Lakh)

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

Notes :

The accompanying notes are an integral part of these financial statements

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

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

Sd/-
Ruchir Singla
 Partner
 Membership No. 519347
 UDIN- 24519347BKFJML5782

Sd/-
Manju Oswal
 Director
 DIN-00009449

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

Place: Ludhiana
 Date: 27th May 2024

Sd/-
Ajay K. Ratra
 Company Secretary

Sd/-
Radhamohan Soni
 Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY SHARE CAPITAL FOR THE YEAR ENDED 31ST MARCH, 2024

a. Equity share capital (₹ in lakh)

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

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

b. Other Equity (₹ in lakh)

Particulars	Reserves and Surplus			Items of other comprehensive income	Money received against Share Warrants	Total
	General reserve*	Security premium**	Retained earnings***			
Balance at April 1, 2022	9,865.25	7,731.06	(56,026.77)	(154.63)	-	(38,585.10)
Changes in Equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1,2022	-	-	-	-	-	-
Additions for the year	-	-	149.14	-	-	149.14
Other comprehensive income for the year, net of income tax	-	-	-	(23.81)	-	(23.81)
Changes in provision for tax written off	-	-	-	-	-	-
Total comprehensive income for the year	-	-	149.14	(23.81)	-	125.33
Balance at March 31, 2023	9,865.25	7,731.06	(55,877.63)	(178.44)	-	(38,459.77)
Balance at April 1, 2023	9,865.25	7,731.06	(55,877.63)	(178.44)	-	(38,459.77)
Changes in Equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1,2023	-	-	-	-	-	-
Additions for the year #	-	1,525.00	(2,675.98)	-	810	(340.98)
Other comprehensive income for the year, net of income tax	-	-	-	(32.11)	-	(32.11)
Changes in provision for tax written off	-	-	-	-	-	-
Total comprehensive income for the year	-	1,525.00	(2,675.98)	(32.11)	810.00	(373.09)
Balance at March 31, 2024	9,865.25	9,256.06	(58,553.61)	(210.55)	810.00	(38,832.86)

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2024

1 Corporate Information

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

1A Significant accounting policies

a) Statement of compliance & Basis of preparation & presentation

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

b) Use of estimates

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

c) Revenue recognition

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

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

i) Sale of goods

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

ii) Export Incentives

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

iii) Dividends

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

iv) Interest

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

v) Insurance Claim

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



d) Inventories

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

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

e) Financial Instruments

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

I. Initial recognition and measurement

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

II. Subsequent Measurement (Non Derivative Financial Instrument)

a) Financial assets carried at amortised cost

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

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

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

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

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

d) Financial Liabilities

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

e) Derecognition of financial liabilities

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

f) Property, plant and equipment

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

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



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

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

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

g) Intangible assets

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

h) Impairment of assets

I. FINANCIAL ASSETS

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

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

II. Non-Financial Assets

Intangible assets and property, plant and equipment

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

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

i) Foreign exchange transactions/translation

a. Initial recognition

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

b. Conversion

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

c. Exchange Differences

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



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

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

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

j) Employee benefits

i. Short Term Employee Benefits

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

ii. Post Employee Benefits

A) Defined Contribution Plans

i. Provident Fund & ESI

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

B) Defined Benefit Plans

Gratuity

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

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

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

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

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

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

k) Taxes on income

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

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



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

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

l) Government grants and subsidies

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

m) Borrowing cost

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

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

n) Provisions, contingent liabilities and contingent assets

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

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

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

o) Earning per share

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

p) Cash and cash equivalents

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



NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2024

2 Property, Plant & Equipment

a) As at 31st March 2024

	(₹ in Lakh)											
	Tangible assets					Intangible assets					Total assets	
	Leasehold land *	Free hold land	Building	Plant & machinery	Other equipment	Furniture and fixtures	Vehicles	Computer	Total	Trade mark (bought out)		Total
Cost												
As at 1st April 2023 (Refer Note (a))	136.77	2,444.85	12,958.03	40,771.31	229.71	251.65	306.26	598.28	57,696.86	10.94	10.94	57,707.80
Additions	-	-	2.50	5.50	5.10	-	-	4.21	17.31	-	-	17.31
Relating to disposals	-	-	(5.84)	(4,730.63)	(0.52)	(0.13)	(130.18)	-	(4,867.30)	-	-	(4,867.30)
Transfer from	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to**	-	-	-	(14,370.08)	-	-	-	-	(14,370.08)	-	-	(14,370.08)
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2024	136.77	2,444.85	12,954.69	21,676.10	234.29	251.52	176.08	602.49	38,476.79	10.94	10.94	38,487.73
Depreciation												
As at 1st April 2023 (Refer Note (a))	-	-	6,097.84	34,945.71	204.82	231.97	285.90	510.44	42,276.68	7.90	7.90	42,284.58
Charge for the year	-	-	353.97	663.32	5.41	2.81	4.11	14.97	1,044.59	0.73	0.73	1,045.32
Relating to disposals	-	-	(2.21)	(4,242.57)	(0.50)	(0.13)	(123.67)	-	(4,369.08)	-	-	(4,369.08)
Transfer from	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to**	-	-	-	(13,361.04)	-	-	-	-	(13,361.04)	-	-	(13,361.04)
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2024	-	-	6,449.60	18,005.42	209.73	234.65	166.34	525.41	25,591.15	8.63	8.63	25,599.78
Net block												
As at 31st March 2024	136.77	2,444.85	6,505.09	3,670.68	24.56	16.87	9.74	77.08	12,885.64	2.31	2.31	12,887.95

b) As at 31st March 2023

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

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

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

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

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2 (a) Investment Property

(₹ in Lakh)

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

2(b) Capital work-in-progress

(₹ in Lakh)

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

3 Financial Assets: Non Current Investments

(₹ in Lakh)

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

4 Financial Assets: Loans (Non Current)

(₹ in Lakh)

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

Vardhman Polytex Limited


7 Deferred Tax (NET) (₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Arising on account of timing difference :		
Opening	1,532.35	1,966.94
Accumulated depreciation	404.39	(434.59)
Total (A)	1,936.74	1,532.35
Deferred tax assets		
Arising on account of timing difference :		
Opening	(6,548.53)	(6,983.12)
Unabsorbed depreciation/Brought forward losses	(404.39)	434.59
Others	-	-
Total (B)	(6,952.92)	(6,548.53)
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, 2024. Based on the company's virtual certainty of the profit, the company is carrying a deferred tax asset of Rs. 5,016.18 lakh as on March 31, 2024. Further despite the net worth being eroded the management is taking all due steps to revive the company. Therefore the financial statements have been prepared on going concern basis.

8 Other non current assets (₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances		
Unsecured - considered good*	70.43	31.54
Total	70.43	31.54

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials	843.74	264.28
Work in progress	470.19	843.34
Finished goods	272.02	370.62
Stores & spares parts	95.28	114.48
Total	1,681.23	1,592.72

10 Financial assets: Trade receivables (Current) (₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Receivable from Others		
-Unsecured, Considered Good :	1,044.91	1,431.09
Less: Non Current Trade Receivable	1,041.34	1,412.52
	3.57	18.57
Less: Provision for doubtful debts	-	-
Total	3.57	18.57



(A) Ageing as at 31.03.2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date date of payment					Total
	Less than 6 months	6 months -1 year	1 year - 2 year	2 year - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	3.14	0.43	-	-	-	3.57
Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
	3.14	0.43	-	-	-	3.57
Less: Allowance for doubtful trade receivables - Billed						-
Add: Not due as at 31.03.2024						-
Net Trade Receivables						3.57

(B) Ageing as at 31.03.2023

(₹ in Lakh)

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

11 Financial assets: Cash and cash equivalents

(₹ in Lakh)

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

Vardhman Polytex Limited


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

Particulars	As at 31 March 2024	As at 31 March 2023
Bank balances:		
Fixed deposits (More than 3 months but less than 12 months maturity)*	5.00	13.20
Total	5.00	13.20

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Carried at amortised cost		
(a) Other loans		
Loans to employees		
Un Secured - considered good	6.50	11.73
Total	6.50	11.73

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

Particulars	As at 31 March 2024	As at 31 March 2023
Interest receivable	39.57	31.85
Others	2.67	4.67
Total	42.24	36.52

15 Current tax assets (₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Direct Taxes Refundable	548.20	469.59
Total	548.20	469.59

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

16 Other current assets (₹ in Lakh)

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

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

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


16A Assets Held for sale (₹ in Lakh)

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

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

17 Equity Share Capital (₹ in Lakh)

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

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

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

Note:

- Out of total shares held by promoters and promoter group (i.e.1,34,09,791), 1,09,31,202 equity shares (face value of Rs. 10 each) are pledged in favour of Banks / financial institution.
- During the current year, 130,00,000 share warrants have been issued to non- promoters. Out of this equity shares have been allotted on conversion of 50,00,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, balance 80,00,000 convertible warrants stand pending for conversion according to the terms.

17.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31st March'2024, the amount of dividend recognized as distribution to equity shareholder was Rs. Nil (Previous year Rs. Nil)

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

Name of equity shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	%	No. of Shares	%
Panchsheel Textile Mfg. & Trdg. Co. (P) Ltd.	44,26,917	16.22	44,26,917	19.86
Alma Assets Consultancy (P) Ltd.	43,62,325	15.98	43,62,325	19.57
Altfort Merchants (P) Ltd.	21,82,000	8.00	21,82,000	9.79

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

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

17.5 Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter Name*	As at 31 March 2024		As at 31 March 2023		
	No. of Shares**	% of total shares	No. of Shares	% of total shares	%
1 Ashok Kumar Oswal	1,27,748	0.47	1,27,748	0.57	0.00
2 Adish Oswal	4,20,511	1.54	4,20,511	1.89	0.00
3 Aketa Oswal	5,460	0.02	5,460	0.02	0.00
4 Rakhi Oswal	17,820	0.07	17,820	0.08	0.00
5 Abhinav Oswal	14,307	0.05	14,307	0.06	0.00
6 Ashok Kumar (Huf)	110	0.00	110	0.00	0.00
7 Manju Oswal	52,694	0.19	52,694	0.24	0.00
8 Kent Investments Pvt Ltd	46,950	0.17	46,950	0.21	0.00
9 Enakshi Investments Pvt Ltd	3,70,250	1.36	3,70,250	1.66	0.00
10 Panchsheel Textile Manufacturing And Trdg Co.(P) Ltd	44,26,917	16.22	44,26,917	19.86	0.00
11 Ruby Mercantile Company Pvt Ltd	1,53,000	0.56	1,53,000	0.69	0.00
12 Calgary Investment And Trading Company Pvt Ltd	67,300	0.25	67,300	0.30	0.00
13 Nightnagle Dealcom Private Limited	6,60,000	2.42	6,60,000	2.96	0.00
14 Gagan Mercantile Company Pvt Ltd	1,63,900	0.60	1,63,900	0.74	0.00
15 Pioneer Mercantile India Pvt Ltd	49,350	0.18	49,350	0.22	0.00
16 Altfort Merchants Private Limited	21,82,000	8.00	21,82,000	9.79	0.00
17 Liberty Mercantile Company Pvt Ltd	1,20,550	0.44	1,20,550	0.54	0.00
18 Boras Investment And Trading Company Pvt Ltd	32,860	0.12	32,860	0.15	0.00
19 Allepy Investment And Trading Company Pvt Ltd	95,500	0.35	95,500	0.43	0.00
20 Adesh Investment And Trading Company Pvt Ltd	35,100	0.13	35,100	0.16	0.00
21 Alma Assets Consultancy Private Limited	43,62,325	15.98	43,62,325	19.57	0.00
22 Amrante Trust Through Rakhi Oswal, Trustee	5,139	0.02	5,139	0.02	0.00
Total	1,34,09,791.00	49.14	1,34,09,791.00	60.16	0.00

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

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

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



18. Other Equity

(₹ in lakh)

Particulars	Reserves and Surplus			Items of other comprehensive income	Money received against Share Warrants	Total
	General reserve*	Security premium**	Retained earnings***	Actuarial Gain / (Loss)		
Balance at April 1, 2022	9,865.25	7,731.06	(56,026.77)	(154.63)	-	(38,585.10)
Changes in Equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2023	-	-	-	-	-	-
Additions for the year	-	-	149.14	-	-	149.14
Other comprehensive income for the year, net of income tax	-	-	-	(23.81)	-	(23.81)
Changes in provision for tax written off	-	-	-	-	-	-
Total comprehensive income for the year	-	-	149.14	(23.81)	-	125.33
Balance at March 31, 2023	9,865.25	7,731.06	(55,877.63)	(178.44)	-	(38,459.77)
Balance at April 1, 2023	9,865.25	7,731.06	(55,877.63)	(178.44)	-	(38,459.77)
Changes in Equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2023	-	-	-	-	-	-
Additions for the year #	-	1,525.00	(2,675.98)	-	810	(340.98)
Other comprehensive income for the year, net of income tax	-	-	-	(32.11)	-	(32.11)
Changes in provision for tax written off	-	-	-	-	-	-
Total comprehensive income for the year	-	1,525.00	(2,675.98)	(32.11)	810.00	(373.09)
Balance at March 31, 2024	9,865.25	9,256.06	(58,553.61)	(210.55)	810.00	(38,832.86)

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

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

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

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

19 Long term borrowings

(₹ in Lakh)

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


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

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

Details of security :-

- The lender banks have assigned their respective shares to Phoenix ARC (Sole lender now) through Assignment Agreements. The Company has accepted/ signed the letter of acceptance (LOA) of Phoenix ARC and the debt is repayable in monthly installments upto Sep., 2026 as per repayment schedule of LOA. As per the LOA, the liability will recast to the original amount in case of default. Taking a conservative view, we have not written back the entire difference between the assigned debt and final payable amount as settled in the LOA. The repayments have been made as per the repayment schedule except for the delay in the installment of Feb.24 & Mar.24. The total default as on 31.03.2024 was Rs. 5.37 cr. out of this Rs. 3.02 cr. has been paid as on the date of signing the financial statements.
- Borrowings as stated as above are secured by way of equitable mortgage of all the immovable properties (present and future) of the Company and hypothecation of all movable assets of the company (except book debts).
- All the borrowings are guaranteed by promoter directors.
- Further, Borrowings are also secured by hypothecation of all stocks (except the stock of raw material already pledge with third party), present and future of stores, spare parts, packing materials, raw materials, finished goods, goods in transit/process, book debts, outstanding money receivable, claims, bills etc. and second charge by way of equitable mortgage of immovable properties of Company.

20 Provisions (Non Current) (₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Employee related-Leave encashment	26.94	33.66
Employee related-Gratuity	171.37	230.90
Total	198.31	264.56

21 Other Non-Current Liabilities (₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposit received	0.53	0.53
Others*	33,465.86	-
Total	33,466.39	0.53

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


22 Short term borrowings (₹ in Lakh)

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

During the period ended 31st March, 2017, the company had credited profit of Rs 396.44 lakh due on payment of FCCB liability (total liability as on 31st March 2017 being Rs 868.64 Lakh) The Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th September 2024). The installment pertaining to March 2024 amounting to USD 1,08,058 is in default.

23 Trade payables (₹ in Lakh)

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

The information as required to be disclosed under The Micro, Small and Medium Enterprises (Development) Act, 2006 ("the Act") has been received from some vendors but there is no outstanding towards them as on 31.03.2024. As such, the disclosure requirement for balance outstanding, interest paid/payable as at the year end as required by the Act has not been made.

(a) Trade payables ageing as at 31.03.2024

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 year	2-3 year	More Than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	6517.36	3437.71	3632.89	4964.58	18,552.54
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
	6,517.36	3,437.71	3,632.89	4,964.58	18,552.54
Not due balance as at 31.03.2024					62.71
Total Trade payables					18,615.25

(b) Trade payables ageing as at 31.03.2023

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

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

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

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

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

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

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


28 Other income (₹ in Lakh)

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

29 Cost of material consumed (₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw material consumption		
Cotton	29,294.03	38,418.93
Cotton yarn	148.44	3,473.91
Synthetic fibre	2,580.15	4,260.21
Dyes & chemicals	12.20	672.79
Total	32,034.82	46,825.84

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

Value of indigenous & imported raw material consumption

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

30 Purchase of Stock In Trade (₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cotton	-	4,088.19
Total	-	4,088.19

31 Changes in inventories of finished goods, work in progress and stock in trade (₹ in Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Closing inventories		
Finished goods (Including waste)	272.03	370.63
Work in progress	470.19	843.34
	742.22	1,213.97
Opening inventories		
Finished goods (Including waste)	370.63	2,418.71
Work in progress	843.34	921.41
	1,213.97	3,340.12
(Increase) / Decrease	471.75	2,126.15

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



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

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

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

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

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

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

35 Exceptional Items

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

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36. Financial Instrument by category

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

As at March 31, 2024

(₹ in Lakh)

Particulars	Notes No.	As at March 31, 2024	At cost	At Amortised Cost	At fair value through P&L		At fair value through OCI		Total Carrying value	Total Fair Value
					Designation upon initial recognition	Mandatory	Designation upon initial recognition	Mandatory		
Assets:										
i) Investments (Non Current)	3	0.62	-	-	0.62	-	-	-	0.62	0.62
ii) Trade receivable (Non Current)	6	541.48	-	541.48	-	-	-	-	541.48	541.48
iii) Trade and other receivables (Current)	10	3.57	-	3.57	-	-	-	-	3.57	3.57
iv) Cash and cash equivalents	11	106.00	-	106.00	-	-	-	-	106.00	106.00
v) Bank balances other than above	12	5.00	-	5.00	-	-	-	-	5.00	5.00
vi) Loans (Current)	13	6.50	-	6.50	-	-	-	-	6.50	6.50
vii) Other financial assets (Current)	14	42.24	-	42.24	-	-	-	-	42.24	42.24
Total		705.40	-	704.78	0.62	-	-	-	705.40	705.40
Liabilities:										
i) Borrowings (Non Current)	19	4,512.71	-	4,512.71	-	-	-	-	4,512.71	4,512.71
ii) Borrowings (Current)	22	3,106.25	-	3,106.25	-	-	-	-	3,106.25	3,106.25
iii) Trade payables (Current)	23	18,615.24	-	18,615.24	-	-	-	-	18,615.24	18,615.24
iv) Other financial liabilities (Current)	24	1,991.76	-	1,991.76	-	-	-	-	1,991.76	1,991.76
Total		28,225.96	-	28,225.96	-	-	-	-	28,225.96	28,225.96

As at March 31, 2023

(₹ in Lakh)

Particulars	Notes No.	As at March 31, 2023	At cost	At Amortised Cost	At fair value through P&L		At fair value through OCI		Total Carrying value	Total Fair Value
					Designation upon initial recognition	Mandatory	Designation upon initial recognition	Mandatory		
Assets:										
i) Investments (Non Current)	3	0.62	-	-	0.62	-	-	-	0.62	0.62
ii) Trade receivable (Non Current)	6	532.32	-	532.32	-	-	-	-	532.32	532.32
iii) Trade and other receivables (Current)	10	18.57	-	18.57	-	-	-	-	18.57	18.57
iv) Cash and cash equivalents	11	30.41	-	30.41	-	-	-	-	30.41	30.41
v) Bank balances other than above	12	13.20	-	13.20	-	-	-	-	13.20	13.20
vi) Loans (Current)	13	11.73	-	11.73	-	-	-	-	11.73	11.73
vii) Other financial assets (Current)	14	36.52	-	36.52	-	-	-	-	36.52	36.52
Total		643.37	-	642.74	0.62	-	-	-	643.37	643.37
Liabilities:										
i) Borrowings (Non current)	19	-	-	-	-	-	-	-	-	-
ii) Borrowings (Current)	22	44,748.44	-	44,748.44	-	-	-	-	44,748.44	44,748.44
iii) Trade payables ((Current)	23	14,343.79	-	14,343.79	-	-	-	-	14,343.79	14,343.79
iv) Other financial liabilities (Current)	24	4,077.10	-	4,077.10	-	-	-	-	4,077.10	4,077.10
Total		63,169.34	-	63,169.34	-	-	-	-	63,169.34	63,169.34

(b) Fair Value Measurement

(i) Fair Value hierarchy

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

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

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



(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value: As at 31st March 2024

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

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

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

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

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(a) Principal amount due to micro and small enterprise	-	-
(b) Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-

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

38 Earnings per share

(₹ in Lakh)

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

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39 Contingent liabilities not provided for in respect of:

(₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
a) Claims against the Company not acknowledged as debts (net of amount deposited ₹ 68.15 lakh Previous year- ₹ 68.15 lakh)	675.58	262.56
b) Letter of credit & bank guarantee issued	5.00	5.00
c) Income Tax demands under appeal (net of amount deposited ₹ 220 lakh, Previous year- ₹ 220 lakh)	14133.45	4,426.03
d) Service Tax demands under appeal (net of amount deposited ₹ 1.41 lakh, Previous year- ₹ 1.41 lakh)	12.70	12.70

40 Litigation status of the company as on 31st March 2024 are as follows:

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

(₹ in Lakh)

Nature of Dispute	Name of Statute	Amount Involved	Provision Made	Disclosed as Contingent Liability	Amount Deposited Under Protest
i) Indirect Taxation	Central Excise Act 2002	484.13 (484.13)	241.60 (241.60)	242.53 (242.53)	55.10 (55.10)
	Service Tax Act	15.38 (15.38)	1.27 (1.27)	14.11 (14.11)	1.41 (1.41)
	Punjab Vat Act	219.04 (219.04)	174.21 (174.21)	44.83 (44.83)	13.05 (13.05)
	ii) Direct Taxation	Income Tax Act	15,978.30 (5,457.53)	-	14,350.98 (4,643.56)
	Wealth Tax Act	2.47 (2.47)	-	2.47 (2.47)	-
iii) Labour laws	ESI Act	2.20 (2.20)	-	-	2.20 (2.20)
	Industrial Dispute Act 1947 & Gratuity Act 1972	16.41 (16.41)	-	16.41 (16.41)	-
iv) Commercial matters	Code of Civil Procedure Act 1908	439.97 (26.95)	-	439.97 (26.95)	-
	Total	17,157.90 (6,224.11)	417.08 (417.08)	15,111.29 (4,990.85)	291.76 (291.76)

Figures in brackets in aforesaid note represent previous year figures

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

(₹ in Lakh)

Nature of Dispute	Amount Involved	Provision Made	Amount Deceerd in favour of the Company (under execution)	Balance Amount Still contested by the Company
Commercial matters - Legal cases customers	1,041.34 (1,412.52)	499.86 (880.20)	-	541.48 (532.32)

Figures in brackets in aforesaid note represent previous year figures


41 Obligations and commitments outstanding: (₹ in Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
a) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
b) Estimated value of contracts remaining to be executed on other than capital account and not provided for (net of advances)-Pending cotton purchase commitment	4,702.48	7,095.95
c) Estimated value of contracts remaining to be executed on other than capital account and not provided for (net of advances)-Pending Service commitment	-	-

42 Derivative hedged instruments and un-hedged foreign currency exposure
a) Particulars of foreign currency exposure un-hedged at the balance sheet date

	Currency	As at 31 March 2024		As at 31 March 2023	
		In million	₹ in Lakh	In million	₹ in Lakh
Trade Payables*	INR	-	77.31	-	89.90
Loan (including interest)**	USD	0.22	147.70	0.32	221.53
Total		0.22	225.01	0.32	311.43

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

** This is Actual loan amount and does not include reinstatement effect. The Foreign currency fluctuations impact on this amount has been considered separately and duly account for in the books of accounts.

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

44 Employee benefit obligation
Defined Contribution Plan

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Employer's contribution to Provident Fund	159.22	187.68
ii) Employer's contribution to Superannuation Fund	1.80	-
ii) Employer's contribution to Pension Scheme	66.54	74.56

Defined Benefit Plan

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

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

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

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

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

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

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

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

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

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gain)/loss -obligation	(3.48)	6.01
Actuarial (gain)/loss -plan assets	8.13	3.35
Amount recognized in the statement of profit & loss	4.65	9.36

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	7.25%	6.00%
Attrition rate	45.00%	43.00%
Expected rate of return on assets	7.00%	7.00%
Mortality rate	IALM 2012-14	IALM 2012-14
Salary rise	10.00%	7.00%

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Defined benefit obligation	309.95	389.15
Plan assets	448.89	470.31
Surplus/(deficit)	138.94	81.16
Experience adjustment on plan assets	(8.13)	(3.35)
Experience adjustment on plan liabilities	(135.92)	(52.11)



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

Period	As on: 29-02-2024
Defined Benefit Obligation (Base)	3,09,94,114@ Salary Increase Rate : 10%, and discount rate :7.25%
Liability with x% increase in Discount Rate	3,04,09,205; x = 1.00% [Change (2)%]
Liability with x% decrease in Discount Rate	3,16,02,900; x = 1.00% [Change 2%]
Liability with x% increase in Salary Growth Rate	3,15,19,479; x = 1.00% [Change 2%]
Liability with x% decrease in Salary Growth Rate	3,04,90,697; x = 1.00% [Change (2)%]
Liability with x% increase in Withdrawal Rate	3,08,94,409; x = 1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	3,10,96,914; x = 1.00% [Change 0%]

Leave Encashment(unfunded)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Defined benefit obligation at the beginning of the year	59.96	67.59
Current service cost	13.33	17.78
Interest cost	3.60	3.38
Actuarial (gain) /loss	27.46	14.45
Benefit paid	(55.87)	(43.24)
Defined obligation at year end	48.47	59.96

Reconciliation of fair value of assets & obligations (₹ in Lakh)

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

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

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

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

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



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

Particulars	(₹ in Lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	7.25%	6.00%
Attrition rate	45.00%	43.00%
Expected rate of return on assets	NA	NA
Mortality rate	IALM 2012-14	IALM 2012-14
Salary rise	10.00%	7.00%

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

Period	As on: 29-02-2024
Defined Benefit Obligation (Base)	48,46,488
Liability with x% increase in Discount Rate	47,49,486; x = 1.00% [Change (2)%]
Liability with x% decrease in Discount Rate	49,47,613; x = 1.00% [Change 2%]
Liability with x% increase in Salary Growth Rate	49,44,153; x = 1.00% [Change 2%]
Liability with x% decrease in Salary Growth Rate	47,51,058; x = 1.00% [Change (2)%]
Liability with x% increase in Withdrawal Rate	48,40,948; x = 1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	48,52,294;; x = 1.00% [Change 0%]

45 Related party disclosures:-

i) List of related parties and relationships

	2023-24	2022-23
a) Subsidiary Company	Nil	Nil
b) Key management personnel	Mr. Adish Oswal, Chairman Cum Managing Director Mr R.M.Soni , Chief Financial Officer Mr. Ajay Ratra , Company Secretary	Mr. Adish Oswal, Chairman Cum Managing Director Mr R.M.Soni , Chief Financial Officer Mr. Ajay Ratra , Company Secretary
c) Directors / Independent Directors	Mrs. Manju Oswal, Non Executive Director Mr. Suresh Kumar Banka, Non Executive Director Mr. Sandeep Mehta, Independent Director Mr. Sagar Bhatia, Independent Director Mrs. Sanchi Taneja, Independent Director (w.e.f 18.07.2023) Mr. Rohit Jain, Independent Director (w.e.f 28.03.2024) Mr. Sanjeev Joshi, Independent Director (Upto 14.09.2023)	Mrs. Manju Oswal, Non Executive Director Mr. Suresh Kumar Banka, Non Executive Director Mr. Sandeep Mehta, Independent Director Mr. Sanjeev Joshi, Independent Director (w.e.f 12.08.2022) Mr. Sagar Bhatia, Independent Director (w.e.f 12.08.2022) Mr. Hardeep Singh, Independent Director (upto 12.08.2022) Mr. Varun Kumar Chaudhary, Independent Director (upto 12.08.2022)
d) Relative of KMP	Mr. Abhinav Oswal Ms. Aketa Oswal Mrs. Rakhi Oswal Mrs. Priya Oswal	Mr. Abhinav Oswal Ms. Aketa Oswal Mrs. Rakhi Oswal Mrs. Priya Oswal



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	2023-24	2022-23
e) Enterprise over which KMP is able to exercise significant influence	Oswal Industrial Enterprise Private Limited Panchsheel Textile Mfg & Trading Co.Pvt Ltd Enakshi Investments Private Limited. Liberty Mercantile Co.(P)Ltd. Allepy Investment & Trading Co. (P) Ltd. Kent Investments Private Limited. Ruby Mercantile Co. Private Limited. Boras Investment & Trading Co. (P) Limited. Gagan Mercantile Co. Private Limited. Pioneer Mercantile India Private Limited. Adesh Investment & Trading Co. (P) Limited. Calgary Investment & Trading Co. (P) Ltd. Oswal Infratech Pvt. Ltd. Oswal Tradecom Pvt. Ltd. Oswal Holding Pvt. Ltd. Nightangle Dealcom Pvt. Ltd. Alma Assets Consultancy (P) Ltd Alfort 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 Alfort Merchants (P) Ltd Vardhman Amarante Private Limited We safe India Lifestyle Private Limited Oswal Technical Textile Private Limited Super Lakshmi Enterprises LLP

ii) Transaction with related parties during the year:-

(₹ in Lakh)

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

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



46. Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans & borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31 March 2024 and 31 March 2023.

(i) Foreign Currency risk management

The company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

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

Cash flow sensitivity analysis for variable rate instruments

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

(₹ in Lakh)

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

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has outstanding borrowings from Phoenix ARC Private Limited. The Company is passing through a phase of liquidity stress and there is a mismatch in cash flows. Due to this, the capacities of the Company are running at sub-optimal level. The Company is working towards devising a plan which would correct the cash flow mismatch. The Company believes that the Company would be able to generate enough cash inflows to meet its working capital requirements in the medium and long run. The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of



business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company has exposure to credit risk from trade receivable balances on sale of Yarns & Readymade Garments. The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The creditworthiness of customers to which the Company grants credit in the normal course of the business is monitored regularly.

The Following is the detail of revenues generated from top five customer of the company and allowance for life time expected credit loss:

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

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 6 & 10.

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial.

46A. Capital Management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. No Changes were made in the objectives, policies or processes during the years ended 31st March 2024 and 31st March 2023.

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

48 Despite the fact that the net worth of the Company has been fully eroded, the Management is of the view that the company is an operative company and with all necessary steps and continuing professional management, is confident to turnaround the company and accordingly Deferred Tax assets will be recognised. In view of the same, the financial statements have been prepared on going concern basis.

49 During the period ended year 31st March, 2017, the Company had credited profit of Rs 396.44 lakh due on payment of FCCB liability (Total Liability as on 31/03 /2017 being Rs. 868.64 lacs). The Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th September 2024). The installment pertaining to March 2024 amounting to USD 1,08,058 is in default.

50 The Company is paying rentals for office premises taken on rent which are not in the nature of lease agreements. Therefore, disclosure requirements of Accounting Standard IND AS-17 are not applicable.

51 The balances of Trade Receivables, Loan and Advances, Deposits and Trade Payables are subject to confirmation/reconciliation and subsequent adjustments, if any. During the year, letters have been sent to various parties with a request to confirm their balances as on 31st March, 2024. Except for the provision created against these receivables, they are realizable as per management of the company.

52 The business of company falls within a single primary segment viz, Textile and hence, the disclosure requirement of IND AS - 108 'Operating segment' is not applicable.

Vardhman Polytex Limited



- 53 No significant adjusting event occurred between the balance sheet date and date of the approval of the financial statements by the Board of Directors requiring adjustment or disclosure.
- 54 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year classification.
- 55 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted In the period in which said Code becomes effective and the rules framed thereunder are published.
- 56 **Title deeds of Immovable Property not held in name of the Company.**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company**
PPE	Land & Building	1197472	Subhash Sharma	No	22.06.2011	State Government rules
PPE	Land & Building	346100	Subhash Sharma	No	01.02.2011	State Government rules
PPE	Land & Building	487808	Subhash Sharma	No	13.12.2010	State Government rules

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

- 57 The Company has not granted loans or Advances to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of Loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMP'S	-	-
Related Parties	-	-

- 58 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- 59 The company is not availing any working capital limits from bank(s) and as such, no quarterly returns or statements are required to be submitted to the bank .
- 60 The company has not been declared wilful defaulter by any bank or financial Institution or other lenders during the year ended 31.03.2024.
- 61 **Ratio Analysis**

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



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

Vardhman Polytex Limited



62 Relationship with Struck off Companies

Name of struck off Company	Nature of Transactions with Struck-off Company	Balance Outstanding as at 31.03.2024	Relationship with the Struck off Company, if any, to be disclosed.
Sree Vaishnavi Impex Private Limited	Payables	25,565.00	Vendor
Vinod Cotton Corporation Private Limited	Payables	2,21,560.89	Vendor
B.R.Knitwears Pvt. Ltd.	Receivables	15,67,530.00	Customer

- 63 There are no charges or satisfaction yet to be registered with Registrar of Companies/MCA beyond the statutory period.
- 64 The company has no subsidiary as on 31.03.2024, as such the company is in fully compliance with provisions with respect to number of layers of companies prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 65 During the year, there has not been any Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 66 **Utilisation of Borrowed funds and share premium:**
- (A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries ;
- (B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:-
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 67 The company has not used any borrowings from banks and financial institutions for other than the specific purpose for which it was taken as at the balance sheet date
- 68 The company has not traded or invested in crypto currency or virtual currency during the financial year.
- 69 With regard to the provisions of corporate social responsibility covered under the section 135 of Companies Act, the detail is as under:

Sr. No.	Particulars	Amount (in Rs.)
1	Amount required to be spend by the company during the year	NIL
2	Amount of expenditure incurred	N.A
3	Shortfall at the end of the year	N.A
4	Total of previous year's shortfall	N.A
5	Reason for shortfall	N.A
6	Nature of CSR Activities	N.A
7	Details of Related Party Transactions e.g contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard	N.A

- 70 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under Income Tax Act, 1961, that has not been recorded in the books of account.
- 71 According to the SEBI circular for Disclosure of Large Entity, it is hereby confirmed that Vardhman Polytex Limited is not a Large Entity. Outstanding borrowing (Long Term) in terms of the said circular was Rs. Nil as on 31.03.2024.

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

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

Sd/-
Ruchir Singla
 Partner
 Membership No. 519347
 UDIN- 24519347BKFJML5782

Sd/-
Manju Oswal
 Director
 DIN-00009449

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

Place: Ludhiana
 Date: 27th May 2024

Sd/-
Ajay K. Ratra
 Company Secretary

Sd/-
Radhamohan Soni
 Chief Financial Officer



ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office – GT Road, Miller Ganj, Ludhiana-141003

Delhi Chandigarh Ludhiana

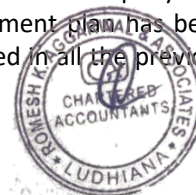
Phones: 2532920, 2534289

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To

The Board of Directors,
Vardhman Polytex Ltd.

1. We have reviewed the accompanying statement of unaudited financial results of **Vardhman Polytex Limited** ("the Company") for the quarter ended June 30, 2024 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The company had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability. As per Note No.2 of the accompanying Financial Results, the Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th November 2024). This matter was also qualified in all the previous limited review/audit reports submitted by us.



5. Based on our review conducted as above, except for the effect of our observation stated in Para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Romesh K Aggarwal & Associates

Chartered Accountants

FRN - 000711N



Ruchir Singla

Partner

M. No. 519347

Place - Ludhiana

Dated - August 14, 2024

UDIN - 24519347BKFJOF7582

VARDHMAN POLYTEX LTD.

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

CIN: L17122PB1980PLC 004242, PHONES: 0161-2685301-04, 6629888, FAX : 6629988,

E-Mail- info@vpl.in, Web: www.vpl.in

STATEMENT OF FINANCIAL RESULTS FOR QUARTER ENDED 30th JUNE, 2024

(Rs. In Lakh)

Sl. No	Particulars	Quarter ended			Year ended
		30th June	31st Mar	30th June	31st Mar
		2024 Unaudited	2024 Audited	2023 Unaudited	2024 Audited
1	Revenue from operations	6,403.43	7,368.54	13,553.41	37,063.81
2	Other income	503.81	451.91	1,978.92	2,897.18
3	Total Income (1+2)	6,907.24	7,820.45	15,532.33	39,960.99
4	Expenses				
	A) Cost of material consumed	5,498.56	5,501.49	12,267.09	32,034.82
	B) Purchase of Stock in Trade	-	-	-	-
	C) Changes in inventories of finished goods, stock in trade and work in progress	(3.63)	196.45	(959.69)	471.75
	D) Employee benefit expense	765.10	786.38	1,138.55	3,828.45
	E) Finance costs	443.85	14.15	1,283.14	335.25
	F) Depreciation and amortisation expense	233.11	247.28	274.17	1,047.95
	G) Power & Fuel Cost	643.03	669.28	1,265.67	3,473.75
	H) Other Expenditure	402.58	310.82	158.44	1,445.00
	Total Expenses	7,982.60	7,725.85	15,427.37	42,636.97
5	Profit from operations before tax and exceptional items (3-4)	(1,075.36)	94.60	104.96	(2,675.98)
6	Exceptional items : Income / (Loss)	-	-	-	-
7	Profit/(Loss) before tax and after exceptional items (5-6)	(1,075.36)	94.60	104.96	(2,675.98)
8	Tax expenses	-	-	-	-
9	Net Profit/(Loss) after tax (7-8)	(1,075.36)	94.60	104.96	(2,675.98)
	Other comprehensive income/ (loss), net of taxes	(8.03)	(14.25)	(5.95)	(32.11)
10	Total Comprehensive Income/(Loss) for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income/(Loss) (after tax)]	(1,083.39)	80.35	99.01	(2,708.09)
11	Paid-up equity share capital (Face value-Rs.1 per equity share) (Refer note 4)	2,729.10	2,729.10	2,229.10	2,729.10
	Other Equity	(39,916.25)	(38,832.86)	(38,360.76)	(38,832.86)
	Earnings per share (of Rs.1 each) (Refer note 4) (not annualised except for the year ended)				
	- Basic (Rs.)	(0.39)	0.38	0.47	(10.83)
	- Diluted (Rs.)	(0.30)	0.29	0.46	(8.31)

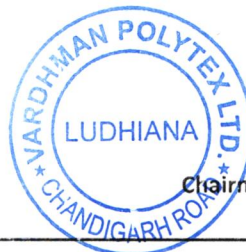


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Notes:

- 1 The above financial results for the Quarter ended 30th June, 2024 were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on 14th Aug., 2024. The company has prepared the financial results in accordance with Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circulars, and the management has exercised necessary due diligence to ensure that the financial results present a true and fair view of the company's affairs.
- 2 Regarding the Auditors qualification w.r.t. repayment of FCCB liability, the Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th November 2024).
- 3 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.
- 4 During the current quarter, the equity shares of the company have been sub - divided from existing face value of Rs. 10/- per equity shares into 10 equity shares having face value of Rs. 1/- per equity share effective from record date 18.05.2024. Accordingly, basic and diluted earnings per equity share for the quarter ended 30.06.2024 have been computed on the basis of number of equity shares after sub - division.
- 5 Despite net worth having been fully eroded, the Management is of the view that the company is an operative company. In view of the same, the financial statements have been prepared on a "Going Concern" basis.
- 6 The company has entered into arrangement with few vendors from whom company is purchasing raw materials and selling finished goods to them.
- 7 The business of company falls within a single Primary Segment Viz, Textile and hence, the disclosure requirement of IND-AS 108 'Operating segment' is not applicable.
- 8 Figures relating to previous period have been regrouped/rearranged, where necessary to make them comparable with those of the current period.

Place : Ludhiana
Date : 14.08.2024



For Vardhman Polytex Ltd.

(Adish Oswal)

Chairman and Managing Director

(DIN 00009710)

Jan

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements included in "Financial Statements".

<i>Particulars</i>	<i>Year ended at 31.03.2024</i>	<i>Year ended at 31.03.2023</i>
<i>(Rs. In Lakhs)</i>		
Basic and Diluted Earnings Per Share (₹)		
Basic Earnings Per share (Basic EPS)		
Net profit after tax, attributable to equity shareholders	(2,675.98)	149.14
Weighted average number of Equity Shares outstanding	2,47,06,257	2,22,90,957
Basic EPS in ₹	(10.83)	0.67
Face value in ₹	10	10
Diluted Earnings Per Share (Diluted EPS)		
Net profit after tax, attributable to equity shareholders	(2,675.95)	149.14
Weighted average number of shares considered for Calculating Diluted EPS	3,22,00,793	2,22,90,957
Diluted EPS in ₹	(8.31)	0.67
Face value in ₹	10	10
Net Asset Value Per Equity Share (₹)		
Net Asset Value (Net-worth)	(36,103.76)	(36,230.67)
Number of equity shares outstanding at the year end	2,72,90,957	2,22,90,957
Net Assets Value per equity share (₹)	(132.29)	(162.53)
Return on Net Worth		
Net Profit after tax	(2,675.98)	149.14
Net worth	(36,103.76)	(36,230.67)
Return on Net Worth (%)	(7.41)	0.41
EBITDA		
Profit/(loss) after tax (A)	(2,675.98)	149.14
Income tax expense (B)	--	--
Finance costs (C)	335.25	5340.09
Depreciation and amortization expense (D)	1047.95	1219.39
Exceptional Item -Income	--	(9,719.63)
EBITDA (Before Exceptional item)	(1,292.78)	(3011.01)
EBITDA (After Exceptional item)	(1,292.78)	6,708.62

The ratios have been computed as per the following formulas:

(i) Basic and Diluted Earnings per Share

$\frac{\text{Net Profit after tax, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

(ii) Net Assets Value (NAV)

$\frac{\text{Net Asset Value, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

(iii) Return on Net worth (%)

$\frac{\text{Net Profit after tax, attributable to equity shareholders}}{\text{Net worth (excluding revaluation reserve), at the end of the year}}$

Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.

(iv) EBITDA

Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the standalone statement of profit and loss before and after exceptional item.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial year ended on March 31, 2024, and March 31, 2023. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 88 of the Letter of Offer. Our audited standalone financial statements for the financial year ended March 31, 2024 and March 31, 2023 are prepared in accordance with Ind AS. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 16 of this Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the chapter titled "Forward-Looking Statements" on page 13 of this Letter of Offer. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ending March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Vardhman Polytex Limited, our Company. Unless otherwise indicated, financial information included herein are based on our standalone financial statements ended on March 31, 2024 and March 31, 2023 included in this Letter of Offer beginning on page 88 of this Letter of Offer.

BUSINESS OVERVIEW

Our Company was incorporated as "**Punjab Mohta Polytex Limited**" under the Companies Act, 1956 vide Certificate of Incorporation dated August 20, 1980, with Registrar of Companies, Punjab, H.P. & Chandigarh bearing registration number 4242 of 1980 by Mohta Industries Limited, in joint venture with Punjab State Industrial Development Corporation Limited and received a Certificate for Commencement of Business on December 01, 1982, by Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, Punjab Mohta Polytex Limited was acquired by Vardhman Group through Mahavir Spinning Mills Limited along with the shareholding of Punjab State Industrial Development Corporation Limited.

Subsequently, the name of our Company was changed to "**Vardhman Polytex Limited**" and consequently, a fresh certificate of incorporation consequent on change of name dated August 20, 1991, under the Companies Act, 1956 was issued by the Registrar of Companies, Punjab, H.P. & Chandigarh.

Our company is engaged in the manufacturing yarns. It has production facilities located in Ludhiana, and Nalagarh in India. The Company's principal activity is manufacturing of yarns & garments. Its diverse yarn portfolio spans Cotton (Combed, Organic, BCI), Cotton-Polyester blends and Value-Added Yarn (Grey) across various counts.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "**Risk Factors**" on page 16 of this Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Punjab and Himachal Pradesh;
- Any qualifications or other observations made by our statutory auditors that may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our ability to maintain and enhance our brand image;
- Our reliance on third-party suppliers for our products;
- Our ability to successfully execute our expansion strategy in a timely manner;
- General economic and business conditions in the markets in which we operate and in the local, regional, and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interstate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices, or other rates or prices;

- Our ability to expand our geographical area of operation;
- The performance of the financial markets in India and globally;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Individual Promoter, and other related parties;
- Changes in domestic and foreign laws, regulations, and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty;
- Inability to obtain, maintain, or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health, and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations, and prospects and
- Other factors beyond our control.

DISCUSSION ON RESULT OF OPERATIONS

Overview of Revenue & Expenditure

Our revenue and expenses are reported in the following manner:

Revenues

Revenue of operations

The Company is mainly in the business of manufacturing of yarns. The revenue from operations includes sales of yarns, garments and trading goods (textile).

Other Income

Our other income mainly consists of interest, rental income and other non-operating misc. income.

Expenditure

Our total expenditure primarily consists of the cost of material consumed, purchase of traded goods, changes in inventories of finished goods, employee benefit expenses, finance costs, depreciation and amortization expenses, power & fuel cost and other expenses.

Cost of material consumed

This includes the cost of cotton, cotton yarn, synthetic fibre, dyes & chemicals.

Change in Inventories

Our change in inventories comprises a change in the opening and closing of work in process and finished goods (including waste).

Employee Benefit Expenses

It includes Salaries, Wages & other benefits, Contribution to PF & other funds, and Staff Welfare expenses.

Finance Costs

Our finance costs mainly include interest expenses on borrowings & other borrowing cost.

Depreciation

Depreciation has been provided as per the useful life prescribed under schedule II of the Companies Act, 2013 on a Straight Line Method (SLM) on pro-rata basis.

Other Expenses

It mainly includes Packing material consumed, Processing charges, Repairs and maintenance, Rent, rates & taxes, Insurance, Travelling and Boarding, Legal & Professional, exchange rate fluctuation, Delivery expenses, rebate & discount, and misc. expenses.

RESULTS OF OUR OPERATIONS

The table below sets forth a summary of our audited financial results containing significant items of our income and expenses for year ended March 31, 2024 and March 31, 2023 based on our Financial Statements included in the section titled “Financial Information” on page 88.

(Rs. in lakhs)

Sl.	Particulars	Year ended 31 st March 2024	Year ended 31 st March 2023	Increase / (decrease)	% of increase / (decrease)
1	Revenue from operations	37,063.81	61,551.04	-24,487.24	-39.78%
2	Other income	2,897.18	615.82	2,281.36	370.46%
3	Total Income (1+2)	39,960.99	62,166.86	-22,205.87	-35.72%
4	Expenses				
	A) Cost of material consumed	32,034.82	46,825.84	-14,791.02	-31.59%
	B) Purchase of Stock in Trade	-	4,088.19	-4,088.19	-100.00%
	C) Changes in inventories of finished goods, stock in trade and work in progress	471.75	2,126.15	-1,654.39	-77.81%
	D) Employee benefit expense	3,828.45	4,518.37	-689.92	-15.27%
	E) Finance costs	335.25	5,340.09	-5,004.84	-93.72%
	F) Depreciation and amortisation expense	1,047.95	1,219.39	-171.44	-14.06%
	G) Power & Fuel Cost	3,473.75	4,462.72	-988.97	-22.16%
	H) Other Expenditure	1,445.00	3,156.60	-1,711.60	-54.22%
	Total Expenses	42,636.97	71,737.35	-29,100.37	-40.57%
5	Profit from operations before tax and exceptional items (3-4)	-2,675.98	-9,570.49	6,894.51	72.04%
6	Exceptional items : Income / (Loss)	-	9,719.63	-9,719.63	-100.00%
7	Profit/(Loss) before tax and after exceptional items (5-6)	-2,675.98	149.14	-2,825.12	-1894.32%
8	Tax expenses	-	-	-	
9	Net Profit/(Loss) after tax (7-8)	-2,675.98	149.14	-2,825.12	-1894.32%
	Other comprehensive income/ (loss), net of taxes	-32.11	-23.81	-8.30	34.86%
10	Total Comprehensive Income/(Loss) for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income/(Loss) (after tax)]	-2,708.09	125.33	-2,833.43	-2260.69%

THE FISCAL YEAR ENDED MARCH 31, 2024 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2023

Income

Revenue from operations has declined by ₹ 24,487.24 Lakhs and 39.78% in FY 2023-24 from ₹ 61,551.04 Lakhs in FY 2022-23.

The major reason for reduction in revenue is the lower / irregular production activities of one of the manufacturing units of the company located at Badal Road, Bathinda during the year, which ultimately led to the closure of the operations of unit. This unit had been closed due to operational losses and non – viability due to deteriorating conditions of machines & high operational cost. The information has already been intimated to stock exchanges vide letter dated March 06, 2024.

Further, during the previous F.Y 2022-23 the company had made trading of cotton amounting to Rs. 45.95 Crore., which has not been done in the current F.Y 2023-24. Also, during the current F.Y 2023-24 there is major shortfall in the sale of dyed yarn due to adverse market conditions. These reasons also impacted the reduction in revenue in F.Y 2023-24.

Expenditure

Total Expenditure has come down by ₹ 29,100.37 Lakhs in FY 2023-24 by 40.57%, from ₹ 71,737.35 Lakhs in last year. This is part of variable cost dependent upon level of operations and sales revenue.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage has decreased by ₹ 689.92 Lakhs and 15.27% due to reduction in manpower deployment.

Other Expenses

Other Expenses in terms of value and percentage decreased by ₹ 1,711.60 Lakhs and 54.22% from the last year figure of ₹ 3,156.60. This is also part of variable cost dependent upon sales level.

Profit before Tax

Profit before Tax has come down by ₹ 2,825.12 Lakhs as compared to last year's figure of ₹ 149.14 Lakh.

Finance Costs

Finance Costs in terms of value and percentage decreased by ₹ 5,004.84 Lakhs and 93.72% from ₹ 5,340.09 due to restructuring of debts with Phoenix ARC

Depreciation and Amortization Expenses

Depreciation in terms of value decreased by ₹ 171.44 Lakhs and 14.06%.

Net Profit after Tax and Extraordinary items

Net Profit has decreased by ₹ 2,825.12 Lakhs in FY 2023-24 from ₹ 149.14 Lakhs in last FY 2022-23.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company with respect to (i) issues of moral turpitude or criminal liability on the part of our Company, (ii) material violations of statutory regulations by our Company, (iii) economic offences where proceedings have been initiated against our Company, (iv) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company.

Our Board of Directors, in its meeting held on May 6, 2024, determined that outstanding litigation involving our Company, shall be considered material (“**Material Litigation**”) if:

- the aggregate amount involved in such individual litigation exceeds 10% of turnover of the company, as per the last audited financial statements; or
- where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 10% of turnover of the company as per the last audited financial statements, if similar litigations put together collectively exceed 10% of the turnover of the Company; or
- litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

LITIGATIONS INVOLVING OUR COMPANY

I. Litigations filed against our Company:

a) Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

- **Jai Durga Kraft Papers Pvt. Limited v. Vardhman Polytex Limited- Recovery Petition:**

A Recovery Petition was filed against our Company in the Hon’ble Court of Micro and Small Enterprises Facilitation Council, Sangrur, Punjab on August 31, 2020 by Jai Durga Kraft Papers Pvt. Limited (“Claimant”) for recovery of money amounting to Rs. 96,96,776.32/- (Rupees Ninety Six Lakhs Ninety Six Thousands Seven Hundred Seventy Six and Thirty Two Paise) (Rs. 81,03,728.00 as principal amount and Rs. 15,93,038.83 as interest) for the products availed or purchased from the Claimant. It was claimed that our Company failed to pay total costs but part payments at different occasions were made through bank by our Company although an amount was still due to be paid. The Claimant has allegedly claimed that despite of repeated requests, our Company failed to pay the same. Thus, the Claimant prayed for an award or any other relief as the hon’ble court may deemed fit. As such the said matter is currently pending before the Hon’ble Court of Micro and Small Enterprises Facilitation Council, Sangrur, Punjab.

- **Kavita Sahu v. Vardhman Polytex Ltd.- Suit For Permanent Injunction (18/2020):**

A Suit for Permanent Injunction numbering 18 of 2020 was filed against our Company in the Hon’ble Court Civil Judge, Senior Division, Solan on January 27, 2020 by Kavita Sahu (“Plaintiff”) for the grant of permanent injunction restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff in the described property. Our Company was requested to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises in question, illegally and forcibly and also threatened to cause interference in the possession of the tenancy premises. Our Company when their associates came to the tenancy premises in question and they threatened and tried to interfere in the peaceful possession of the Plaintiff, our Company and their associates desisted from doing the illegalities to the Plaintiff, they refused and rather renewed their threats. It was, therefore, prayed that a decree for permanent injunction restraining our Company and their agents, employees, servants etc. from interfering or causing to interference in the peaceful possession of the Plaintiff and from dispossessing the Plaintiff from the portion of property. As such the said matter is currently pending before the Hon’ble Court of Civil Judge, Senior Division, Solan.

- **Malkit Singh v. Vardhman Polytex Ltd- Civil Misc Application (169/2020):**

A Suit for Permanent Injunction numbering 169 of 2020 was filed against our Company in the Hon’ble Court of Civil Judge, Senior Division, Solan on March 12 by Malkit Singh (“Plaintiff”) for the grant of permanent injunction restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff in the described property. Our Company was requested to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises in question, illegally and forcibly and also

threatened to cause interference in the possession of the tenancy premises. Our Company when their associates came to the tenancy premises in question and they threatened and tried to interfere in the peaceful possession of the Plaintiff, our Company and their associates desisted from doing the illegalities to the Plaintiff, they refused and rather renewed their threats. It was, therefore, prayed that a decree for permanent injunction restraining our Company and their agents, employees, servants etc. from interfering or causing to interference in the peaceful possession of the Plaintiff and from dispossessing Plaintiff from the portion of property. As such the said matter is currently pending before the Hon'ble Court of Civil Judge, Senior Division, Solan.

- **Ram Kumar Aggarwal v. Vardhman Polytex Limited- (Application no. 1105):**

An Application directing Payment of Gratuity was filed against our Company in the Controlling Authority, Ludhiana under Section 4 of The Payment Of Gratuity Act on December 12, 2022 by Ram Kumar Aggarwal ("Applicant"). The Applicant stated that there was a dispute on the matter of gratuity payable to the Applicant and that our Company shall be liable to pay the Gratuity amount along with interest @12% from its accrual till relegation along with heavy cost. Thereafter, a Written statement was filed by our Company in regard to the same, dated May 29, 2023 stating that the application filed by the Applicant was not maintainable as the claim has not been filed in a proper and prescribed format. The Applicant had worked as an executive with our Company and was entitled to Payment of Gratuity under Section 4 of the Payment of Gratuity Act, 1972 on account of his resignation from service after completion of 9 years of continuous service. It prayed for the application to be dismissed with costs. As such the said matter is currently pending before the Controlling Authority, Ludhiana.

- **Randhir Singh v. Vardhman Polytex Ltd- Civil Misc Application (167/2020):**

A Civil Misc. Application numbering 167 of 2020 for the grant of Permanent Injunction was filed against our Company in the Hon'ble Court of Civil Judge, Senior Division, Solan on March 12, 2023 by Shyam Lal ("Plaintiff") restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff and from dispossessing off the Plaintiff from the mentioned property. Our Company had not issued the rent receipt with regard to the payment of rent. The Plaintiff using the suit property for the trading business purpose. Recently, when the Plaintiff approached our Company and requested them to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff to our Company, but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises and tried to interfere in the peaceful possession of the Plaintiff. It was prayed that a decree for permanent injunction be passed restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff. As such the said matter is currently pending before the Hon'ble Court of Civil Judge, Senior Division, Solan .

- **Sant Lal v. Vardhman Polytex Ltd.- Suit For Permanent Injunction (15/2020):**

A Suit for Permanent Injunction numbering 15 of 2020 was filed against our Company in the Hon'ble Court of Civil Judge, Senior Division, Solan on January 21, 2020 by Sant Lal ("Plaintiff") for the grant of permanent injunction restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff in the described property. Our Company was requested to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises in question, illegally and forcibly and also threatened to cause interference in the possession of the tenancy premises. Our Company when their associates came to the tenancy premises in question and they threatened and tried to interfere in the peaceful possession of the Plaintiff, our Company and their associates desisted from doing the illegalities to the Plaintiff, they refused and rather renewed their threats. It was, therefore, prayed that a decree for permanent injunction restraining our Company and their agents, employees, servants etc. from interfering or causing to interference in the peaceful possession of the Plaintiff and from dispossessing Plaintiff from the portion of property. As such the said matter is currently pending before the Hon'ble Court of Civil Judge, Senior Division, Solan.

- **Shreepat Financial Services Pvt. Ltd. v. Vardhman Polytex Ltd. & Others (CS/433/2015):**

A Suit for Permanent Injunction, declaration and restraining numbering 433 of 2015 was filed against our Company in the Hon'ble Court of Civil Judge, Senior Division, Ludhiana on February 4, 2015 by Shreepat Financial Services Pvt. Ltd ("Plaintiff"). Plaintiff is doing the business of real estate and property management for the last 10-12 years. Our Company approached the Plaintiff company with a proposal to start out a project and agreed to give "Exclusive Rights for Marketing of Residential and Commercial Plots." The work started between the Plaintiff company for the sale of plots. Our company had already given letter of authority and had appointed the Plaintiff company benefit of selling more than 75% of the project through the Plaintiff. Our Company did not provide the statement of account to the Plaintiff of the plots sold by the Plaintiff, nor they paid the dues as per the agreed terms. Provisional allotment letters were also issued, and demand letters were also issued through the Plaintiff asking payments due from the prospective buyers on account of plots sold by our Company. Plaintiff approached our Company with a request to render and complete accounts of the plots sold but was refused. It was prayed that a decree should be passed that the marketing rights of our Company is legal and valid, decree for permanent injunction restraining our Company for

the rights granted and restricting in selling any plots of the above-mentioned project. As such the said matter is currently pending before the hon'ble Court of Civil Judge, Senior Division, Ludhiana.

- **Shrwan Singh v. Vardhman Polytex Ltd- Civil Misc. Application (166/2020):**

A Suit for the Grant of Permanent Injunction number 166 of 2020 was filed against our Company in the Hon'ble Court of Civil Judge, Senior Division, Solan on March 12, 2020 by Shrwan Singh ("Plaintiff") for the grant of permanent injunction restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff in the described property. Our Company was requested to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises in question, illegally and forcibly and also threatened to cause interference in the possession of the tenancy premises. Our Company when their associates came to the tenancy premises in question and they threatened and tried to interfere in the peaceful possession of the Plaintiff, our Company and their associates desisted from doing the illegalities to the Plaintiff, they refused and rather renewed their threats. It was, therefore, prayed that a decree for permanent injunction restraining our Company and their agents, employees, servants etc. from interfering or causing to interference in the peaceful possession of the Plaintiff and from dispossessing Plaintiff from the portion of property. As such the said matter is currently pending before the Hon'ble Court of Civil Judge, Senior Division, Solan.

- **Shyam Lal v. Vardhman Polytex Ltd- Civil Misc Application (168/2020):**

A Suit for Grant of Permanent Injunction numbering 168 of 2020 was filed against our Company in the Hon'ble Court of Civil Judge, Senior Division, Solan on March 12, 2020 by Shyam Lal ("Plaintiff") for the grant of permanent injunction restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff in the described property. Our Company was requested to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises in question, illegally and forcibly and also threatened to cause interference in the possession of the tenancy premises. Our Company when their associates came to the tenancy premises in question and they threatened and tried to interfere in the peaceful possession of the Plaintiff, our Company and their associates desisted from doing the illegalities to the Plaintiff, they refused and rather renewed their threats. It was, therefore, prayed that a decree for permanent injunction restraining our Company and their agents, employees, servants etc. from interfering or causing to interference in the peaceful possession of the Plaintiff and from dispossessing Plaintiff from the portion of property. As such the said matter is currently pending before the Hon'ble Court of Civil Judge, Senior Division, Solan.

- **State of Punjab and another v. Vardhman Polytex Ltd.- L.P.A. No. od 27 of 2015 in C.W.P. No. 15684/2011:**

An Application for Condonation of Delay numbering L.P.A. No. od 27 of 2015 in C.W.P. No. 15684 of 2011 was filed against our Company, in the Hon'ble High Court for the states of Punjab and Haryana at Chandigarh on May 20, 2015 by State of Punjab and others ("Appellant") under Section 151 of CPC for modification in an order dated January 12, 2015. The main case had been filed for a hearing in the same court, where the Applicant had filed a condonation of delay of 26 days in filing an appeal. Due to some reasons, a clerical mistake had occurred in mentioning the delay, delay of 326 days got mentioned instead of 26 days only. However, our Company filed a reply under Section 5 of Limitation act on July 5, 2015, stating that the Appellants had not approached the court with clean hands and did not disclose the true facts in the application seeking relief of condonation of delay in filing the appeal, and prayed that the present application for condonation of delay of 326 days may be dismissed with cost and further the appeal may also be dismissed. As such the said matter is currently pending before the Hon'ble High Court for the states of Punjab and Haryana at Chandigarh.

- **Subhash Chand v. Vardhman Polytex Ltd. (17/2020):**

A Suit For Permanent Injunction numbering 17 of 2020 was filed against Our Company in the court of Hon'ble Court of Civil Judge, Senior Division, Solan on February 3, 2020 by Subhash Chand ("Plaintiff") for the grant of permanent injunction restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff in the described property. Our Company was requested to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises in question, illegally and forcibly and also threatened to cause interference in the possession of the tenancy premises. Our Company when their associates came to the tenancy premises in question and they threatened and tried to interfere in the peaceful possession of the Plaintiff, our Company and their associates desisted from doing the illegalities to the Plaintiff, they refused and rather renewed their threats. It was, therefore, prayed that a decree for permanent injunction restraining our Company and their agents, employees, servants etc. from interfering or causing to interference in the peaceful possession of the Plaintiff and from dispossessing Plaintiff from the portion of property. As such the said matter is currently pending before the Hon'ble Court of Civil Judge, Senior Division, Solan.

- Malerkotla Construction Company Pvt. Ltd. v. Vardhman Polytex Ltd. (CA/811/2023):**
 An Appeal numbering 811 of 2023 was filed against our Company in the court of Hon'ble District Judge, Ludhiana on September 19, 2023 by Malerkotla Construction Company Pvt. Ltd ("Plaintiff") to set aside a judgement passed whereby the suit for recovery and for recovery of damages of Rs. 26,95,121 (Rupees Twenty Six Lakhs Ninety Five Thousand One Hundred and Twenty One) of the Plaintiff had been dismissed. It was stated by the Plaintiff that our Company had concealed and suppressed the material facts and documents from the Hon'ble court and has withheld all the records of the correspondence and emails exchanged in between the parties. It was prayed by the Plaintiff that the suit for recovery and for recovery of damages be decided in favour of the Plaintiff in the interest of the justice. As such the said matter is currently pending before the court of Hon'ble District Judge, Ludhiana
- Anjali v. Vardhman Polytex Ltd. (CS/181/2021):**
 A suit numbering 181 of 2011 was filed against our Company by Anjali ("Plaintiff") before the Employees' State Insurance Tribunal, Bathinda to receive the insurance amount as entitled to her on the behalf of Radha who expired during the services while she was working for our Company along with the interest of 12% p.a. from the date of realisation of the insurance amount. As such the said matter is currently pending before the Employees' State Insurance Tribunal, Bathinda.
- Sudarshan Yadav v. Vardhman Polytex Ltd.- (16/2020):**
 A Suit for Permanent Injunction numbering 16 of 2020 was filed against our Company in the Hon'ble Court of Civil Judge, Senior Division, Solan on January 29, 2020 by Sudarshan Yadav ("Plaintiff") for the grant of permanent injunction restraining our Company and their agents, employees, servants etc. from interfering in the peaceful possession of the Plaintiff in the described property. Our Company was requested to issue the receipts regarding the payment of rent received by them for the rent already paid by the Plaintiff but our Company refused and instead of issuing any receipt started threatening the Plaintiff to dispose him from the tenancy premises in question, illegally and forcibly and also threatened to cause interference in the possession of the tenancy premises. Our Company when their associates came to the tenancy premises in question and they threatened and tried to interfere in the peaceful possession of the Plaintiff, our Company and their associates desisted from doing the illegalities to the Plaintiff, they refused and rather renewed their threats. It was, therefore, prayed that a decree for permanent injunction restraining our Company and their agents, employees, servants etc. from interfering or causing to interference in the peaceful possession of the Plaintiff and from dispossessing Plaintiff from the portion of property. As such the said matter is currently pending before the Hon'ble Court of Civil Judge, Senior Division, Solan.
- SBI v. FM Hammerle Textiles ltd, Adish Oswal, Manju Oswal, Vardhman Polytex ltd (OA/3130/2019)**
 An Application numbering 3130 of 2019 was filed against our Company before the Debts Recovery Tribunal, Chandigarh on November 6, 2019 by State Bank of India ("Petitioner") for total recovery of Rs.190,37,40,774.94 (Rupees One Hundred Ninety Crores Thirty Seven Lakhs Forty Thousand Seven Hundred Seventy Four and Ninety Four Paise only) plus other charges and future interests. The Petitioner in pursuant to the request of the defendants made renewal of credit facility and term loan installments were rescheduled again. Shri Ashok Oswal, Shri Adish Oswal executed guarantee agreement for entire amount of Rs.80.44 Crore (Rupees Eighty Crores and Forty Four Paise) and Vardhman Polytex Limited executed Corporate Guarantee to the extent of Rs.7.00 Crore (Rupees Seven Crores). Accordingly, the agreement to mortgage was also executed by our Company on June 29, 2009. It was prayed that the Tribunal may allow the application and issue a certificate for recovery of the aggregate amount of Rs.190,37,40,774.94 (Rupees One Hundred Ninety Crores Thirty Seven Lakhs Forty Thousand Seven Hundred Seventy Four And Ninety Four paise) plus other charges, pendentelite and future interest at the contractual rate. As such the said matter is currently pending before the Debts Recovery Tribunal, Chandigarh.
- Commissioner Of Income Tax-I, Ludhiana v. Vardhman Polytex Ltd.- Income Tax Appeal (ITA/523/2005)**
 An Appeal numbering 523 of 2005 was filed against our Company in the Hon'ble High Court of Punjab & Haryana on May 16, 2005 by Commissioner Of Income Tax ("Appellant") for questioning whether on the facts of the case, The Hon'ble Income Tax Appellate Tribunal was right in law in holding that the amount of interest received from customers and suppliers is not to be reduced from the profits for the purpose of computing deduction under Section 80 HHC of the Income Tax Act, 1961, ignoring the fact that explanation (baa)(1) to Section 80HHC clearly envisages the reduction of such incomes for computing 'Profits of Business'. It was held that even the interest which is received from the customer on account of delay in payment, even if assessed as business income but will have to be reduced therefrom for the purpose of calculation of profits of business to calculate the relief admissible under Section 80 HHC of the Act. Therefore the appeal was accepted. As such the said case is pending in the Hon'ble High Court of Punjab & Haryana.

- **Commissioner Of Income Tax-I, Ludhiana v. Vardhman Polytex Ltd.- Income Tax Appeal (ITA/336/2016)**

An appeal numbering 336 of 2016 was filed against our Company in the Hon'ble High Court of Punjab & Haryana on September 10, 2016 by Commissioner Of Income Tax ("Appellant") for seeking exemption to file true copies of the Assessment order under section 143 (3). The assessment under the said section was completed February 11, 2011 and the following submissions were made by the AO- Disallowance under section 144 of the Income Tax Act, 1961: Rs. 30,14,856/- (Rupees Thirty Lakhs Fourteen Thousands Eight Hundred and Fifty Six) and Disallowance under section 36 (1) (iii) of the Income Tax Act, 1961: Rs.5,37,01,562/- (Rupees Five Crores Thirty Seven Lakhs One Thousand Five Hundred and Sixty Two). It was prayed that the Hon'ble court be pleased to answer the question in favor of the Department by quashing the impugned order passed by the Income Tax Appellate Tribunal, Chandigarh and restoring the order of Assessing Officer. As such the said case is pending in the Hon'ble High Court of Punjab & Haryana.

- **Commissioner Of Income Tax-I, Ludhiana v. Vardhman Polytex Ltd.- Income Tax Appeal (ITA/375/2017)**

An Appeal numbering 375 of 2017 was filed against our Company in the Hon'ble High Court of Punjab & Haryana on November 16, 2016 by Commissioner Of Income Tax ("Appellant") for seeking exemption to file true copies of the Assessment order under section 143 (3). The assessment was completed under section 143(3) on December 28, 2006 at an income of Rs. 4,51,84,100/- (Rupees Four Crore Fifty One Lakhs Eighty Four Thousand and One Hundred) reducing deduction claimed by the assessee under section 80HHC, 80IB of the Act. It is thus prayed that true copies of the orders i.e. of the Assessment order under section 143 (3) dated December 28, 2006 (Annexure A-I) CIT(A)'s order dated January 29, 2009 (Annexure A-II), ITAT's order dated November 16, 2016 (Annexure A-III), may kindly be permitted to be filed by exempting the applicant - appellant to file certified copies thereof. As such the said case is pending in the Hon'ble High Court of Punjab & Haryana.

b) Matters involving issues of moral turpitude or criminal liability on the part of our Company:

Nil

c) Matters involving material violations of Statutory Regulations by our Company:

1. Taxation:

- **E-Proceedings:**

As per website of Income Tax, the following e-proceedings are shown as pending with "open" or "pending" status. However, the amount has not been mentioned and cannot be crystallized:

Assessment Year	Description	Current Status
2012-2013	<p>Notices under Section 250 of the Income Tax Act, 1961 ("Act") were issued to our Company vide DIN & Notices No. ITBA/NFAC/F/APL_4/2021-22/1035669899(1), ITBA/ NFAC/ S/ 62/ 2022-23/ 1047075772(1), ITBA/NFAC/F/APL_4/2022-23/1048001896(1), and ITBA/NFAC/F/APL_4/2022-23/1048562852(1) dated September 17, 2021, November 07, 2022, December 14, 2022, and January 09, 2023 respectively. The said notices were in connection with the Appeal Reference No. NFAC/2011-12/10001931 initiated on the directions of ITAT vide their order dated March 30, 2015 where the Old Appeal NFAC/2011-12/10001931 for AY 2012-13 issued in the case involving our Company had been set-aside by the ITAT. Further, our Company was directed to furnish ground-wise written submission and response, along with supporting documentary evidence(s), if any to support the grounds of the current Appeal.</p> <p>In response to above-mentioned notices, our Company furnished following ground wise status of issues:</p> <p>Ground No. 1: Whether in law and circumstances of the case, the Learned CIT(A) was justified in deleting the addition amounting to Rs. 13,57,51,945/- made under section 14A of the Act read with rule BD?</p>	Open

	<p>Reply: The Learned Assessing Officer had disallowed the matter vide his order no. ITBA/AST/S/143(3)/2021-2022/1036084270(1) dated September 30, 2021.</p> <p>Ground No. 2: Whether in law and circumstances of the case, the Learned CIT(A) was justified in deleting the addition made on account of disallowance of interest on investments for non- business purpose made under section 36(1)(iii) of Income-tax Act, 1961 amounting to Rs. 11,18,63,706/-.</p> <p>Reply: The Learned assessing officer had disallowed the matter vide his order no. ITBA/AST/S/143(3)/2021-22/1036084270(1) dated September 30, 2021.</p> <p>Ground No. 3: Whether in law and circumstances of the case, the Learned CIT(A) was justified in deleting the addition made on account of disallowance of interest on loans and advances given for non-business purposes amounting to Rs. 2,10,23,259/- made under section 36(1)(iii) of the act.</p> <p>Reply: The learned Assessing officer had disallowed the matter vide his order no. ITBA/AST/S/143(3)/2021-22/1036084270(1) dated September 30, 2021.</p> <p>Hence, our Company submitted that the matter is set aside to your office only with respect to disallowance under section 14A (Applicability of Rule BD(2Xiii) with regard to the disallowance of administrative expenses. Also, it was submitted that the Rule BD2(iii) had been already applied by the Learned AO vide his Assessment order no. ITBA/AST/S/143(3)/2021-2022/1036084270(1) dated September 30, 2021 & disallowance of Rs.67,50,635/- had been made in the total disallowance of Rs.13,57,51,945/- so, the Learned AO has already dealt with the matter despite of the matter being set aside to your office, and it was requested before the authority that the same may adjudicated as per the directions in the order of the Hon'ble Tribunal in the Assesses own case for the Assessment Year 2011-12 vide order no. ITA No. 837 & 1062/chd/2016 dated June 21, 2019. As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>	
<p>2012-2013</p>	<p>Notices under Section 250 of the Income Tax Act, 1961 ("Act") were issued to our Company vide DIN & Notices No. ITBA/NFAC/S/62/2022-23/1047284567(1), ITBA/NFAC/F/APL_1/2022-23/1048630543(1), ITBA/NFAC/F/APL_1/2022-23/1049428313(1), ITBA/NFAC/F/APL_1/2022-23/1049958469(1), ITBA/NFAC/F/APL_1/2024-25/1064019730(1), ITBA/NFAC/F/APL_1/2024-25/1064377528(1) and ITBA/NFAC/F/APL_1/2024- 25/1065207425(1) dated November 15, 2022, January 11, 2023, February 06, 2023, February 21, 2023, April 10, 2024, April 26, 2024 and May 29, 2024 respectively. The said notices were in connection with the Appeal Reference No. NFAC/2011-12/10060042 against the order under section 143(3) read with section 254 of the Act passed by NWR-C (110) (1) vide DIN No. ITBA/AST/S/143(3)/2021-22/1036084270(1) on September 30, 2021. The said appeal was filed on the grounds of Erroneous and contrary to the facts and law and ignoring the submission of the Assessee Company, Invoking provisions of section 14A, Erred on facts and in law in invoking and failed to appreciate the provisions of section 36 (1) (iii), Treated Profit on buyback of FCCBs as capita receipt and disallowance of depreciation thereon, Principal of Natural Justice, Initiation of Penalty Proceedings. The amount involved is Rs. 28,01,58,856/- Our Company was requested to furnish Ground wise written submission, along with supporting documentary evidence(s) and/or documents.</p> <p>In response to the above notices our company has requested to allow some more time for finalizing the written submissions therefore is had been requested to grant an adjournment for finalizing the written submissions. As on date no new notice/intimation has been received and the said E Proceeding is Open</p>	<p>Open</p>

<p>2012-2013</p>	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) was issued to our Company vide Notices No. ITBA/NFAC/F/APL_1/2020-21/1029658749(1), ITBA/NFAC/S/62/2022-23/1046941708(1), ITBA/NFAC/F/APL_1/2023-24/1054137111(1), ITBA/NFAC/F/APL_1/2023-24/1055985845(1), ITBA/NFAC/F/APL_1/2023-24/1056293384(1), ITBA/NFAC/F/APL_1/2023-24/1056920055(1), ITBA/NFAC/F/APL_1/2023-24/1058908506(1), ITBA/NFAC/F/APL_1/2024-25/1065207292(1), ITBA/APL/S/APL_1/2019-20/1026128336(1) and ITBA/NFAC/F/APL_1/2024-25/1064019383(1), dated November 04, 2022, July 05, 2023, September 12, 2023, September 20, 2023, October 10, 2023, December 20, 2023, March 04, 2020, May 29, 2024 and April 10, 2024. The said notices were in connection with the above referred appeal having reference number number CIT (A), Ludhiana- 1/10540/2019-20 preferred by our Company against the order under section 143(3)read with section 147 of the Act passed by CIR I(1),JCIT-I/CIT-1,LDH vide DIN No. ACIT/C-1(1)LDH/2019-20/ on December 09, 2019.</p> <p>In response to the Notice having DIN No. ITBA/NFAC/F/APL_1/2024-25/1064019383(1) and DIN: ITBA/NFAC/F/APL_1/2023-24/1056920055(1), our Company submitted that the written submissions were duly submitted and the orders were complied in due time dated October 16, 2023. For the Notice having DIN No. ITBA/NFAC/F/APL_1/2023-24 1058908506 (1), a submission was made by our Company dated December 23, 2012. As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>	<p>Open</p>
<p>2012-2013</p>	<p>A Notice under section 143(2) read with section 254 of the Income Tax Act, 1961 (“Act”) was issued against our Company vide DIN No: ITBA/COM/F/17/2020-21/1028438880(1) dated October 30, 2020. Under this Notice, Hon’ble ITAT, Chandigarh (ITA No. 413/Chd/2017 A.Y. 2012-13 dated December 20, 2019) restored the issues of disallowance of interest expenditure under section 36(1) in respect of investment and advance made for non-business purpose out of interest-bearing funds, Issue of Section 14A of the Act, 1961 and Issue regarding buy back of foreign exchange convertible bonds. Our company was asked to furnish above mentioned evidence/information online electronically on the website of Income Tax Department.</p> <p>Our company made the following submissions:</p> <p><u>Issue of disallowance of interest expenditure u/s 36(1)(iii) in respect of investment and advance made for non-business purpose out of interest bearing funds.:</u></p> <p>The disallowance as worked out in the Assessment order was NIL. The interest disallowance was calculated at Rs .11,18,63,706/- however because of separate disallowance calculated under section 14 A at Rs. 13,57,54,945/- the interest disallowance had been reduced to NIL.</p> <p><u>Issue of Disallowance Under Section 14A of The Income Tax Act:</u></p> <p>Investments were of Rs. 137.42 crores. The Investments in the financial year 2010-2011 were Rs. 132.60 crores and in the financial year 2011-12 were Rs. 137.42 crores with an overall increase of Rs. 4.82 crores. Since the Assessee Company had shown investments amounting Rs. 137.42 crores as on March 31, 2012 and March 31, 2013, disallowance under section 14A had been made as investments have been deemed to earning for dividend income which were not earned/ received in the present case. Our Company further submitted that a suo moto disallowance had been calculated at Rs. 11.62 lakhs while filing the return of income.</p> <p><u>Issue regarding buy back of Foreign Exchange Convertible Bonds:</u></p> <p>Hon’ble ITAT had directed that the nature of buyback proceeds must be verified as either revenue or capital in nature. The fact had been verified that buy back is a capital receipt as the FCCB proceeds have been used for purchasing capital assets. The loan was for expansion of plant and machinery and for acquisition of foreign asset being of permanent and capital nature and</p>	<p>Open</p>

	<p>was an apparatus to earn enduring benefits over a long period of time. Therefore, the discounting / waiver of FCCB bonds on buy back is a capital receipt and has not been included in taxable income of the Company because the waiver/ Profit on buyback does not changes the nature of receipt and the same cannot be termed as revenue receipt.</p> <p>As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>	
2012-2013	<p>A notice under section for Penalty under section 274 read with section 271(1) (c) of Income-tax Act,1961 (“Act”) was issued against our Company vide DIN No. ITBA/PNL/S/271(1)(c)/2021- 22/1036084309(1) dated September 30, 2021. The said Notice stated that our Company had concealed the particulars of income and has furnished inaccurate information and therefore was asked to show cause why an order imposing penalty u/s 271(1)(c) of Income-tax Act,1961 should not be passed.</p> <p>Our Company in response filed an appeal having acknowledgment number 787268360051121 where our Company declared a total income at NIL. The original return filed by our Company was processed under section 143 (1) of the Act where in disallowance of expenses in relation to the earning of exempted dividend income under section 14A was of Rs.13,57,51,945 and disallowance on account of premium payable on Foreign Currency Convertible Bonds of Rs.98,91,159 was made. Aggrieved by the assessment order, our Company had preferred an appeal before the Ld .CIT and stated that the penalty proceedings falls under proviso to Section 275(1)(a) and it is not barred by limitation as such it is requested to keep the penalty proceedings in abeyance till the final disposal of appeal. As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>	Open
2012-2013	<p>Notice under the Income Tax Act, 1961 (“Act”) was issued to our Company vide DIN & Notice nos ITBA/PNL/F/17/2021-22/1038191549(1) dated December 28, 2021, was issued by the Income Tax Officer, Delhi, in reference to our submission regarding keeping the penalty proceedings in abeyance. Our Company was requested to file Form 35 and all the other relevant documents to substantiate the same.</p> <p>As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>	Open
2013-2014	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) was issued to our Company vide Notices No. ITBA/NFAC/S/62/2022-23/1047321739(1), ITBA/NFAC/F/APL_1/2022-23/1048625261(1), ITBA/NFAC/F/APL_1/2022-23/1049427625(1), ITBA/NFAC/F/APL_1/2022-23/1049958770(1), ITBA/NFAC/F/APL_1/2024-25/1064019565(1) and ITBA/NFAC/F/APL_1/2024-25/1064377421(1) ITBA/NFAC/F/APL_1/2024-25/ 1065207343(1) dated November 15, 2022, January 11, 2023, February 06, 2023, February 21, 2023, April 10, 2024 April 26, 2024 and May 29, 2024respectively. The said notices were in connection with the Appeal No. NFAC/2012-13/10064519 against the order under section 143(3) read with section 254 of the Income-tax Act,1961 passed by NWR-C-(110)(1) vide DIN No. ITBA/AST/S/143(3)/2021-22/1036084878(1). Our Company was requested to furnish Ground wise written submission, along with supporting documentary evidence(s) and/or documents as specified.</p> <p>In response to the above mentioned notices, our Company submitted that the counsel of our Company had met with an accident and was not able to prepare submissions. Therefore, it was requested to allow some more time for finalizing the written submissions. As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>	Open
2013-2014	<p>Penalty Proceeding Notices under section 274 and 270A of the Income Tax Act, 1961 (“Act”) were issued to our Company vide Notice Nos. ITBA/PNL/S/271(1)(c)/2021-22/1036084933(1), ITBA/PNL/F/271(1)(c)/2021-22/1036909948(1)dated September 30, 2021, and November 13, 2021. As per the said notices, the Assessee was required to</p>	Open

	<p>show cause as to why order imposing penalty under section 271(1)(c) of the Act should not be passed as initiated by the penalty notice referred above. Further, in response to the said notices our Company replied that it had filed its appeal before the Hon'ble Commissioner of Income Tax (Appeal) through online mode on November 3, 2021 having Acknowledgement Number 784135220031121 wherein disallowance of expenses relating to the earning of exempt dividend income, Interest payments/Premium payable on FCCB Bonds and interest on investment and advances to subsidiary companies have been made.</p> <p>Further, the Assessee stated that initiation of the Penalty proceedings falls under proviso to Section 275(1)(a) of the Act and it is not barred by limitation as such it is requested to keep the penalty proceedings in abeyance till the final disposal of appeal. As on date no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	
2014-2015	<p>Notices under section 271(1)(c) of the Income Tax Act, 1961 ("Act") vide notice no. TBA/PNL/S/271(1)(c)/2021-22/1036089685(1) and ITBA/PNL/F/271(1)(c)/2021-22/1036909913(1) dated September 30, 2021 and November 13, 2021 The said notice is in connection in the course of e-Assessment proceedings for the assessment year 2014-15, it appears that our company have concealed the particulars of income and furnished inaccurate particulars of such income.</p> <p>In Response to the notice the Penalty Notice bearing reference number as ITBA/PNL/S/271(1)(c)/2021-22/1036089685(1) dated September 30, 2021 issued under section 274 of the Act and ITBA/PNL/S/271(1)(c)/2021-22/1036089685(1). The company had filed its appeal before the Hon'ble Commissioner of Income Tax (Appeal) through online mode on November 03, 2021 having Acknowledgement Number 782670660031121 . Since the initiation of the penalty proceedings falls under proviso to Section 275(1)(a) and it is not barred by limitation as such it is requested to keep the penalty proceedings in abeyance till the final disposal of appeal. So, it is very humbly requested that the Penalty Proceedings may be kept in abeyance till the final disposal of the appeal. As on date no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	Open
2014-2015	<p>Notices under section 250 of the Income-tax Act, 1961 ("the Act") were issued to our company vide notice no. ITBA/NFAC/F/APL_1/2022-23/1048630675(1), ITBA/NFAC/F/APL_1/2022-23/1049427862(1), ITBA/NFAC/F/APL_1/2022-23/1049958661(1), ITBA/NFAC/F/APL_1/2024-25/1064019443(1), ITBA/NFAC/F/APL_1/2024-25/1064377488(1), ITBA/NFAC/F/APL_1/2024-25/1065207371(1) dated January 11, 2023, February 06, 2023, February 21, 2023, April 10, 2024, April 26, 2024 and May 29, 2024 respectively were in reference to the order under section 143(3) read with section 254 of the Act passed by NWR-C-(110)(1) vide DIN No. ITBA/AST/S/143(3)/2021-22/1036089615(1) on September 30, 2021 for the Assessment Year 2014-15. As per the notices, our Company was requested to furnish or cause to be furnished Ground wise written submission, along with supporting documentary evidence(s) and/or documents as specified, if any. In response to the above notices, our company vide DIN ITBA/NFAC/F/APL_1/2024-25/1064377488(1) dated May 02, 2024 has requested to allow some time for finalizing the written submissions. It was requested by our Company to grant an adjournment for two weeks for finalizing the written submissions as the counsel of the Assessee Company had met with an accident and was not able to prepare submissions. As on date no reply has been filed by our Company and no further communication is received from the authorities and the said E Proceeding is shown as Open.</p>	Open
2015-2016	<p>Notices under section 250 of the Income Tax Act, 1961 ("Act") were issued to our Company vide DIN & Notice nos. ITBA/NFAC/F/APL_1/2022-23/1044103030(1), and ITBA/NFAC/F/APL_1/2022-23/1045693785(1) dated July 26, 2022 and September 20, 2022 respectively were in reference to</p>	Open

	<p>the order under section appeal by our company against the order under section 201(1A) of the Income-tax Act,1961 passed by NWR-C-(110)(1) vide DIN No. NWR/CT/401/1/31032022/00199 on March 31,2022 for the Assessment Year 2015-16.</p> <p>In response to the above notices our company has requested to allow some more time for finalizing the written submissions therefore is had been requested to grant an adjournment for 15 days for finalizing the written submissions. As on date no reply has been filed by our Company and no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	
2015-2016	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) were issued to our Company vide DIN & Notice nos ITBA/NFAC/F/APL_1/2022-23/1044103362(1), ITBA/NFAC/F/APL_1/2022-23/1045693871(1), ITBA/APL/F/APL_1/2023-24/1056495243(1), ITBA/APL/F/APL_1/2024-25/1066748494(1) and ITBA/APL/F/APL_1/2023-24/1060308591(1) dated July 26, 2022, September 20, 2022, September 25, 2023, July 16, 2024 and January 31, 2024 in connection with the above referred appeal by the company against the order under section 201(1A) of the Income-tax Act, 1961 passed by NWR-C-(110)(1) on March 30,2022. In support of the Grounds of Appeal, our Company was requested to furnish or cause to be furnished Ground wise written submission, along with supporting documentary evidence(s) and/or documents as specified in the Annexure, if any. The Written submissions was to be furnished on or before February 15, 2024.</p> <p>In response to the above notices our Company has requested to allow some more time for finalizing the written submissions. Company has therefore requested to grant an adjournment for 15 days for finalizing the written submissions. As on date no reply has been filed by our Company and no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	Open
2016-2017	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) were issued to our Company vide DIN No. ITBA/NFAC/S/62/2023-24/1052480452(1), ITBA/APL/F/APL_1/2023-24/1063430160(1), ITBA/APL/F/APL_1/2024-25/1064429531(1), ITBA/APL/F/APL_1/2024-25/1064062148(1) and ITBA/APL/F/APL_1/2024-25/1064687763(1) dated May 01, 2023, March 27, 2024, April 29, 2024, April 12, 2024 and May 07, 2024 respectively. The said notices were in connection with the Appeal reference number NFAC/2015-16/10236129 against the order under section 201(1A) of the Act, passed by NWR-C-(110)(1) on March 16, 2023. Our Company was requested to furnish Ground-wise written submission, along with supporting documentary evidence(s) and was requested to provide the information/clarification/submission/ documents.</p> <p>In reference to the said notices, Our Company requested for some more time for finalizing the written submissions. As on date no reply has been filed by our Company and no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	Open
2016-2017	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) were issued to our Company vide DIN No. ITBA/NFAC/F/APL_1/2024-25/1065207267(1), ITBA/NFAC/S/62/2022-23/1046785010(1), ITBA/NFAC/F/APL_1/2024-25/1064019326(1), ITBA/NFAC/F/APL_1/2023-24/1058908409(1), ITBA/NFAC/F/APL_1/2023-24/1056293249(1), ITBA/NFAC/F/APL_1/2023-24/1055985749(1), ITBA/NFAC/F/APL_1/2023-24/1054137258(1), ITBA/NFAC/F/APL_1/2020-21/1029860834(1) and ITBA/APL/S/APL_1/2019-20/1024698158(1) dated May 29, 2024, April 10, 2024, December 12, 2023, September 20, 2023, July 05, 2023, January 18, 2021 and 05 February, 2020 respectively. The said notices were in connection with the Appeal Ref. No. CIT (A), Ludhiana- 1/10488/2018- 19 preferred by our Company against the order under section 143(3) of the Income-tax Act,1961 passed by CIR I(1),JCIT-I/CIT-1,LDH vide DIN No. NA on 21/12/2018. As per the said notices our Company was requested to furnish</p>	Open

	<p>Ground-wise written submission, along with supporting documentary evidence(s), if any.</p> <p>In response to the Notice having DIN No. ITBA/NFAC/F/APL_112024-2511064019383(1); and DIN: ITBA/NFAC/APL/2023-204, our Company submitted that the written submissions were duly submitted, and the orders were complied in due time dated October 16, 2023. For the Notice having DIN No. ITBA/NFAC/F/APL_1/2023-24 1058908506 (1), a submission was made by our Company dated December 20, 2023. As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>																	
2016-2017	<p>An Issue Letter was issued to our Company vide DIN No. ITBA/RCV/F/17/2021-22/1038818282(1) dated January 18, 2022 stating the a total demand of Rs 13,84,59,351/- is outstanding follows: -</p> <table border="1"> <thead> <tr> <th>Assessment Year</th> <th>Demand raised under section</th> <th>Date of rising demand</th> <th>Demand (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>143(3)</td> <td>30/12/2017</td> <td>89,85,550</td> </tr> <tr> <td>2016-17</td> <td>143(3)</td> <td>28/02/2020</td> <td>7,29,38,991</td> </tr> <tr> <td>2019-20</td> <td>143(1)</td> <td>7/07/2020</td> <td>5,40,41,280</td> </tr> </tbody> </table> <p>Our Company was requested to deposit the above said total outstanding demand immediately without any further delay failing which will lead to further action to recover the outstanding demand under the provisions of Income Tax Act, 1961. For the above outstanding demand, Our Company requested to allow some more time for finalizing the written submissions as rectification application was yet to be filed.</p> <p>An Issue Letter was issued to our Company vide DIN No ITBA/RCV/F/17/2023-24/1062586197(1) stating the outside demand against our Company. As on date no reply has been filed by our Company and no new notice/intimation has been received and the said E Proceeding is Open.</p>	Assessment Year	Demand raised under section	Date of rising demand	Demand (in Rs.)	2015-16	143(3)	30/12/2017	89,85,550	2016-17	143(3)	28/02/2020	7,29,38,991	2019-20	143(1)	7/07/2020	5,40,41,280	Open
Assessment Year	Demand raised under section	Date of rising demand	Demand (in Rs.)															
2015-16	143(3)	30/12/2017	89,85,550															
2016-17	143(3)	28/02/2020	7,29,38,991															
2019-20	143(1)	7/07/2020	5,40,41,280															
2016-2017	<p>An Issue Letter for proceedings under section 154 of the Income Tax Act, 1961 (“Act”) was issued to our Company vide DIN No ITBA/COM/F/17/2021-22/1032612186(1) dated April 22, 2021 detailing scrutiny of assessment records of our Company where in our Company filed its return of income on October 16, 2016 declaring loss of Rs. 36,01,89,243/ pertaining to A.Y. 2016-17. At the time of assessment under section 143(3), AO rejected the books of accounts and assessed business income Rs. 70,24,71,360/- under section 44AD. In the assessment order, AO allowed sett-off of current year loss of Rs. 36,01,89,243/- included in total set off business loss amounting to Rs. 85,58,84,683/- against total business income of Rs. 1,13,9,73,360/-, which was not allowable. This omission has resulted in under assessment of Rs. 36,01,89,243/- of tax effect Rs. 16,57,90,209/- including interest of Rs. 4,11,35,916/- under sections 234B of the Income Tax Act, 1961. As on date no reply has been filed by our Company and no new notice/intimation has been received and the said E Proceeding is Open.</p>	Open																
2016-2017	<p>Penalty Proceeding Notice under section 274 and 270A of the Income Tax Act, 1961 (“Act”) were issued to our Company vide DIN No. ITBA/PNL/S/271(1)(c)/2018- 19/1014486747(1) Dated December 21, 2018 in which it was submitted that our Company had concealed the particulars of income and furnished inaccurate particulars of such income. Therefore it was required to show cause why an order imposing penalty under section 271(1)(c) of Income-tax Act,1961 should not be passed. As on date no reply has been filed by our Company and no new notice/intimation has been received and the said E Proceeding is Open.</p>	Open																
2017-2018	<p>Adjustment Notices under section 143(1) of the Income Tax Act, 1961 (“Act”) were issued to our Company vide communication reference nos. CPC/1718/G21/1818540787, and CPC/1718/G22/1818540787 dated August 29, 2018 and October 02, 2018. As per the said notices the return for PAN AAACV5821H, Assessment Year 2017-18 E-filing- acknowledgement number 286668001031117 dated November 03, 2017 contains errors/incorrect claims/ inconsistencies which attract following adjustment(s), as specified under section 143(1)(a) of the Act:</p>	Pending																

	<ul style="list-style-type: none"> • Arithmetical error in the return under section 143(1)(a)(i) – Schedule HP: Amount in ITR was Rs. 61,116/-, while the authority computed the same at Rs. 0/-; hence, there was variance on account of proposed adjustment which was Rs. 61,116/-. <p>Incorrect Claim under section 143(1)(a)(ii):</p> <ul style="list-style-type: none"> • Schedule BP: Amount in ITR was Rs. 57,98,25,906/-, while the authority computed the same at Rs. 3,85,55,652/-; hence, there was variance on account of proposed adjustment which was Rs. 54,12,70,254/-. • Schedule BP: Amount in ITR was Rs. 0/-, while the authority computed the same at Rs. 11,46,135/-; hence, there was variance on account of proposed adjustment which was Rs. 11,46,135/-. <p>Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return under section 143(1)(a)(iv):</p> <ul style="list-style-type: none"> • Inconsistency in total amount of disallowance under section 37: Amount in ITR was Rs. 0/-, while the amount mentioned in form annexure 3CD was Rs. 11,46,135/-; hence, there was a proposed adjustment to total income of Rs. 11,46,135/-. • Inconsistency in amount debited to profit and loss account of the previous year but disallowable under section 43B: Amount in ITR was Rs. 0/-, while the amount mentioned in form annexure 3CD was Rs. 3,87,50,481/-; hence, there was a proposed adjustment to total income of Rs. 3,87,50,481/-. <p>As on date no further communication is received from the authorities and the said E Proceeding is shown as Pending on the Income Tax website.</p>	
2017-2018	<p>Penalty Proceeding Notices under section 274 and 270A of the Income Tax Act, 1961 (“Act”) were issued to our Company vide Notice Nos. ITBA/PNL/S/270A/2019-20/1022769514(1), ITBA/PNL/F/270A/2020-21/1028848023(1), and ITBA/PNL/F/270A/2020-21/1031583930(1) dated December 20, 2019, December 12, 2020, and March 18, 2021. As per the said notices the Assessee had under reported the income and was asked to show cause why order imposing penalty under section 270A of the Act. Further, in response to the said notices our Company replied that it had filed its appeal before the Hon’ble Commissioner of Income Tax (Appeal) through online mode on January 16, 2020 having acknowledgment number 292149921160120 and the case is pending adjudication. The said appeal was filed on the following grounds:</p> <ul style="list-style-type: none"> • Section 143(3): That the impugned order passed by Learned Assessing Officer under section 143(3) is erroneous and contrary to the facts and law. • Section 36(1)(iii): That the learned Assessing Officer has erred in law and on the facts while computing the disallowance of interest of Rs. 3,02,13,600/- under section 36(1)(iii) of the Act by treating business advances given to subsidiary companies for non-business purpose and that the learned Assessing Officer has failed to appreciate the provisions of section 36(1)(iii) of the Act and principle of commercial expediency in as much, so the business advances given to subsidiary has been considered as non-business purpose. • Section 32: That the learned Assessing Officer has erred In law and on the facts by reducing the capital profit of Rs. 3,96,43,603/- on buy back of Foreign Currency convertible bonds from the written down value of the block of assets arbitrarily in the absence of any substantive provision allowing reduction of the same and that the learned Assessing Officer has erred in law and facts of the case by reducing the capital profit on buy back of Foreign currency 	Open

	<p>convertible bonds from the Written down value of the block of assets and consequently disallowing depreciation of Rs. 59,46,540/-.</p> <ul style="list-style-type: none"> • Section 143: The addition so above made is contradictory to the principle of natural justice. • Section 270A: That the learned Assessing Officer has erred in initiating penalty proceedings under section 270A of the Act. • Section 250(5): That the appellant craves to amend, alter, delete, or supplement any ground of appeal before the appeal is finally heard and dispose off. <p>Further, the Assessee stated that initiation of the Penalty proceedings falls under proviso to Section 275(1)(a) of the Act and it is not barred by limitation as such it is requested to keep the penalty proceedings in abeyance till the final disposal of appeal. As on date no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	
2017-2018	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) were issued to our Company vide DIN & Notice nos. ITBA/APL/F/APL_1/2024-25/1064455058(1) and ITBA/APL/F/APL_1/2024-25/1064454797(1) dated April 30, 2024. The said notices were in connection with the Appeal reference no. ADDL/JCIT (A)-1 PUNE/10002/2016-17 and ADDL/JCIT (A)-1 PUNE/10003/2016-17 preferred by our Company against the orders passed under section 201(1A) of the Act passed by Deputy Commissioner of Income on March 20, 2024, and March 22, 2024 respectively. As per the said notices our Company was requested to furnish Ground-wise written submission, along with supporting documentary evidence(s), if any.</p> <p>As on date no reply has been filed by our Company and no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	Open
2017-2018	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) were issued to our Company vide DIN & Notice nos. ITBA/APL/S/APL_1/2019-20/1026266645(1) and ITBA/NFAC/F/APL_1/2020-21/1029329027(1) dated March 06, 2020 and December 29, 2020 respectively. The said notices were in relation to Appeal No. CIT (A), Ludhiana- 1/10631/2019-20 against the order under section 143(3) of Act passed by CIR I(1),JCIT-I/CIT-1,LDH vide DIN No. ITBA/AST/S/143(3)/2019-20/1022771481(1) dated December 12, 2019 and our Company was requested to furnish Ground-wise written submission, along with supporting documentary evidence(s), if any.</p> <p>In response to the said notices, our Company filed written submission dated January 25, 2021 wherein it was stated that the Assessee Company is a listed company, it had filed its original return of Income for AY 2017 - 2018 on October 30, 2017 and the revised return was further filed on November 03, 2017 declaring therein a total loss of Rs. 47,08,61,769/-. The revised return filed by Assessee Company was processed under section 143(1) of the Act at the same figure. The Regular Assessment in this case was done under section 143(3) of the Act by the Assistant Commissioner of Income Tax, Circle -I, Ludhiana, vide his order dated December 20, 2019 wherein certain additions have been made like disallowance of interest on investments and advances to subsidiary companies by adopting an arbitrary rate of interest @12% per annum under section 36(1)(iii) of Rs. 14,00,77,800/- and disallowance of depreciation of Rs. 59,46,540/- by reducing the profit earned on buy back of FCCB of Rs. 3,96,43,603/- from the written down value of Plant and Machinery. These additions were then disputed and hence the appeal was filed on the following grounds:</p> <ul style="list-style-type: none"> • Ground No. 1: That the impugned order passed by Learned Assessing Officer under section 143(3) is erroneous and contrary to the facts and law. • Ground No. 2(a): The learned Assessing Officer has erred on facts and in law in invoking provisions of section 36(1)(iii) and making a disallowance of interest of Rs.10,98,64,200/-under section 36(1)(iii) 	Open

	<p>of the Act by considering investment in subsidiary companies and other investments as held for non-business purpose ignoring the submissions and details filed by Assesse Company during the course of Assessment proceedings.</p> <ul style="list-style-type: none"> • Ground No. 2(b): That the learned Assessing Officer has erred in law and on the facts while computing the disallowance of interest of Rs. 3,02,13,600/- under section 36(1)(iii) Act by treating business advances given to subsidiary companies for non-business purpose. • Ground No. 2(c): That the learned Assessing Officer has failed to appreciate the provisions of section 36(1)(iii) of the Act and principle of commercial expediency in as much, so the business advances given to subsidiary has been considered as non-business purpose. <p>As on date no further communication is received from the authorities and the said E Proceeding is shown as Open on the Income Tax website.</p>	
2018-2019	<p>A Defective Notice intimation under section 139(9) of the Income Tax Act, 1961 (“Act”) was issued to our Company vide DIN CPC/1819/G5/1867530707CPC/1819/G5/1867530707 dated November 29, 2018; however, no notice was uploaded on the Income Tax website. As on date no further communication is received from the authorities and the said E Proceeding is shown as Pending on the Income Tax website.</p>	Pending
2018-2019	<p>An Adjustment Notice under section 143(1) of the Income Tax Act, 1961 (“Act”) were issued to our Company vide communication reference no. CPC/1819/G22/1902519056 dated May 10, 2019. As per the said notice the return for PAN AAACV5821H, Assessment Year 2018-19 E-filing-acknowledgement number 347559571261018 dated October 29, 2018 contains errors/incorrect claims/ inconsistencies which attract following adjustment(s), as specified under section 143(1)(a) of the Act:</p> <p>Incorrect Claim under section 143(1)(a)(ii):</p> <ul style="list-style-type: none"> • Schedule BP: Amount in ITR was Rs. 20,88,00,464/-, while the authority computed the same at Rs. 20,12,18,357/-; hence, there was variance on account of proposed adjustment which was Rs. 75,82,107/-. • Schedule Part BTI: Amount in ITR was Rs. 1,83,91,109/-, while the authority computed the same at Rs. 0/-; hence, there was variance on account of proposed adjustment which was Rs. 1,83,91,109/-. <p>Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv):</p> <ul style="list-style-type: none"> • Inconsistency in Total amount of disallowance under section 37 - Amount in ITR was Rs. 0/-, while the amount mentioned in form annexure 3CD was Rs. 3,00,35,76,198/-; hence, there was a proposed adjustment to total income of Rs. 3,00,35,76,198/-. • Inconsistency in amount debited to profit and loss account of the previous year but disallowable under section 43B - Amount in ITR was Rs. 0/-, while the amount mentioned in form annexure 3CD was Rs. 26,12,66,308/-; hence, there was a proposed adjustment to total income of Rs. 26,12,66,308/-. • Any sum received from employees as contribution to any provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date - Amount in ITR was Rs.0/-, while the amount mentioned in form annexure 3CD was Rs.2,98,48,252/-; hence, there was a proposed adjustment to total income of Rs.2,98,48,252/-. <p>As on date no further communication is received from the authorities and the said E Proceeding is shown as Pending on the Income Tax website.</p>	Pending
2018-2019	<p>Notices under section 250 of the Income Tax Act, 1961 (“Act”) were issued to our Company vide DIN & Notice nos. ITBA/NFAC/F/APL_1/2024-</p>	Open

	<p>25/1067408891(1) and ITBA/NFAC/S/62/2024-25/1063813002(1) dated 07 August, 2024 and 01 April, 2024 respectively.</p> <p>The said notices were in relation to Appeal No. NFAC/2017-18/10323093 against the order under section 143(3) of Act passed by CIR I(1),JCIT-I/CIT-1,LDH vide DIN No. ITBA/AST/S/147/2023-24/1060595107(1) dated February 7, 2024 and our Company was requested to furnish Ground-wise written submission, along with supporting documentary evidence(s), if any.</p> <p>As on date no further communication is received from the authorities and no response has been filed by our Company and the said E Proceeding is shown as Pending on the Income Tax website.</p>	
2019-2020	<p>Two Issue Letters were issued to our Company vide DIN and Letter Nos. ITBA/RCV/F/17/2021-22/1039067170(1) and ITBA/RCV/F/17/2022-23/1044862591(1) dated January 25, 2022 and August 23, 2022 regarding a total demand of Rs. 13,84,59,351/- which was outstanding, and our Company was requested to deposit the outstanding demand. Further, in response our Company submitted its reply on February 09, 2022 requesting not to draw any adverse inference and vacate the outstanding demands.</p> <p>As on date no further communication is received from the authorities and the said E Proceeding is shown as Pending on the Income Tax website.</p>	Pending
2019-2020	<p>An Adjustment Notice under section 143(1) of the Income Tax Act, 1961 ("Act") were issued to our Company vide communication reference no. CPC/1920/G22/1973900104 and CPC/1920/G22/1977369739 dated February 10, 2020 and March 04, 2020 respectively. As per the said notice the return for PAN AAACV5821H, Assessment Year 2019-20 E-filing- acknowledgement number 217807131241019 dated October 29, 2018 contains errors/incorrect claims/ inconsistencies which attract following adjustment(s), as specified under section 143(1)(a) of the Act:</p> <p>Arithmetical error in the return under section 143(1)(a)(i):</p> <ul style="list-style-type: none"> In schedule Part A-P and L-INDAS, the breakup of Any Other Income (Specify Nature and Amount) at Si. No. 2.x is not consistent with total of in Si. No. 2.x.(xa + xb + xc + xd) - Amount in ITR was Rs. 83,27,681/-, while the authority computed the same at Rs. 1,01,80,147/-; hence, there was variance on account of proposed adjustment which was Rs 18,52,466/-. The sum of Any other income (specify nature and amount), amount entered in Sl. No 14xiA+14xiB and sum of Sl.no.14xiC total of (Sl. No 14xiA+14xiB) are inconsistent - Amount in ITR was Rs. 3,71,14,85,461/-, while the authority computed the same at Rs. 83,27,681/-; hence, there was variance on account of proposed adjustment, which was Rs 3,70,31,57,780/-. <p>Incorrect Claim u/s 143(1)(a)(ii):</p> <ul style="list-style-type: none"> In schedule BP, Profit before tax claimed at si. no. 1 by assessee is inconsistency with Profits calculated in Profit And Loss Account - Amount in ITR was Rs. -74,89,38,503/-, while the authority computed the same at Rs. -74,70,86,037/-; hence, there was variance on account of proposed adjustment, which was Rs 18,52,466/-. The claim of set off of current year loss shown in part - BTI is not consistent with the loss computed in the schedules of the corresponding heads of Income or the priority of set off of the current year loss is not consistent with the provisions of the Act - Amount in ITR was Rs. 94,40,094/-, while the authority computed the same at Rs. 0/-; hence, there was variance on account of proposed adjustment, which was Rs 94,40,094/- In Schedule BP, Sl.No.18. Any Amounts debited to the profit and loss account, to the extent disallowable under section 43B is not consistent with amount shown in Sl.No.11.h. Total amount 	Pending

	<p>disallowable under section 43B(total of 11a to 11g) in schedule OI - Amount in ITR was Rs. 0/-, while the authority computed the same at Rs. 48,41,94,020/-; hence, there was variance on account of proposed adjustment, which was Rs 48,41,94,020/-.</p> <ul style="list-style-type: none"> • In Schedule BP, Sl.No.15. Amounts debited to the profit and loss account, to the extent disallowable under section 37(7k of Part-OI) is not consistent with amount shown in Sl.No.7.k. Total amount disallowable under section 37 (total of 7a to 7j) - Amount in ITR was Rs. 0/-, while the authority computed the same at Rs. 13,83,363/-; hence, there was variance on account of proposed adjustment, which was Rs 13,83,363/-. • In Schedule BP, Sl.No.14. Amounts debited to the profit and loss account, to the extent disallowable under section 36 (6s of Part A-OI) is not consistent with amount shown in Sl.No.6.s. Total amount disallowable under section 36 (total of 6a to 6r) of Part-OI - Amount in ITR was Rs. 0/-, while the authority computed the same at Rs. 2,67,84,169/-; hence, there was variance on account of proposed adjustment, which was Rs 2,67,84,169/-. <p>Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv):</p> <ul style="list-style-type: none"> • Inconsistency in Total amount of disallowance under section 37 - Amount in ITR was Rs. 0/-, amount mentioned in Form Annexure 3CD at Rs. 13,83,363/-; hence, there was proposed adjustment to total income, which was Rs 13,83,363/-. • Inconsistency in amount debited to profit and loss account of the previous year but disallowable under section 43B - Amount in ITR was Rs. 0/-, amount mentioned in Form Annexure 3CD at Rs. 48,41,94,020/-; hence, there was proposed adjustment to total income, which was Rs 48,41,94,020/-. • Any sum received from employees as contribution to any provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date [36(1)(va)] - Amount in ITR was Rs. 0/-, amount mentioned in Form Annexure 3CD at Rs. 2,67,84,169/-; hence, there was proposed adjustment to total income, which was Rs 2,67,84,169/-. <p>As on date no further communication is received from the authorities and the said E Proceeding is shown as Pending on the Income Tax website.</p>																																													
2022-2023	<p>Issue Notices for Outstanding Payment of Outstanding Demand Vide ITBA/RCV/F/17/2024-25/1064600723(1) and ITBA/RCV/F/17/2024-25/1065236720(1) dated May 02, 2024 and May 29,2024 respectively have been received by our Company. As per records the following demands is due. The details of the demand are as under: -</p> <table border="1" data-bbox="440 1563 1275 1944"> <thead> <tr> <th>Assessment Year</th> <th>Demand raised under section</th> <th>Date of rising demand</th> <th>Demand (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>220(2)</td> <td>27/02/2024</td> <td>26,47,424</td> </tr> <tr> <td>2016-17</td> <td>271(3)b</td> <td>20/06/2019</td> <td>10,000</td> </tr> <tr> <td>2016-17</td> <td>271(1)b</td> <td>20/06/2019</td> <td>10,000</td> </tr> <tr> <td>2016-17</td> <td>271(3)b</td> <td>20/06/2019</td> <td>10,000</td> </tr> <tr> <td>2016-17</td> <td>271(1)b</td> <td>20/06/2019</td> <td>10,000</td> </tr> <tr> <td>2016-17</td> <td>147</td> <td>11/03/2024</td> <td>7,53,44,150</td> </tr> <tr> <td>2018-19</td> <td>147</td> <td>07/02/2024</td> <td>91,30,10,050</td> </tr> <tr> <td>2019-20</td> <td>154</td> <td>20/08/2022</td> <td>5,47,34,460</td> </tr> <tr> <td>2022-23</td> <td>143(3)</td> <td>22/03/2024</td> <td>1,08,15,410</td> </tr> <tr> <td>2022-23</td> <td>143(3)</td> <td>22/03/2024</td> <td>4,58,17,600</td> </tr> </tbody> </table> <p>Further in the said notice it was stated that in case the Assessee has filed appeal before Ld. CIT(A) then the Assessee is requested to deposit the 20% of the outstanding demand. As on date no further communication is received from the</p>	Assessment Year	Demand raised under section	Date of rising demand	Demand (in Rs.)	2015-16	220(2)	27/02/2024	26,47,424	2016-17	271(3)b	20/06/2019	10,000	2016-17	271(1)b	20/06/2019	10,000	2016-17	271(3)b	20/06/2019	10,000	2016-17	271(1)b	20/06/2019	10,000	2016-17	147	11/03/2024	7,53,44,150	2018-19	147	07/02/2024	91,30,10,050	2019-20	154	20/08/2022	5,47,34,460	2022-23	143(3)	22/03/2024	1,08,15,410	2022-23	143(3)	22/03/2024	4,58,17,600	Open
Assessment Year	Demand raised under section	Date of rising demand	Demand (in Rs.)																																											
2015-16	220(2)	27/02/2024	26,47,424																																											
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2022-23	143(3)	22/03/2024	4,58,17,600																																											

	authorities and the said E Proceeding is shown as Pending on the Income Tax website.	
2022-2023	Notices for Penalty under section 274 read with section 270A of the Income-tax Act, 1961 vide Notice no ITBA/PNL/S/270A/2023- 24/1063139133(1) and ITBA/PNL/F/270A/2024- 25/1064668934(1) dated March 23, 2024 and May 06, 2024 respectively. Our Company was required to show cause as to why an order imposing penalty under section 270A of the Income-tax Act, 1961 should not be passed. Our Company was asked to submit a response along with supporting documentary evidence(s) if any, electronically in 'eProceeding' facility through your account in e-filing website by May 14, 2024. As on date no reply has been filed by our Company and no further communication is received from the authorities and the said E Proceeding is shown as Pending on the Income Tax website.	Open
2022-2023	<p>Penalty Proceeding Notices under section 274 and 270A of the Income Tax Act, 1961 ("Act") were issued to our Company vide DIN No. ITBA/PNL/F/270A/2024-25/1067253467(1), ITBA/PNL/F/17/2024-25/1065131180(1), ITBA/PNL/F/270A/2024-25/1064668934(1) and dated 02 August, 2024, 26 May, 2024, 06 May, 2024 and 22 March, 2024 respectively wherein our Company was required to show cause why order imposing penalty under section 270A of Income-tax Act, 1961 should not be passed.</p> <p>A reply was filed by our Company wherein it was stated that the Learned Assessment Unit has made an addition of on account of disallowance of interest paid to various bank accounts of M/s Phoenix Arc Trust under OTS(One Time Settlement) by ignoring the written submissions of the assessee company during the course of assessment proceedings wherein the Learned Assessment Unit has assessed the income of the assessee company of Rs.13,37,00,000/- along with raising a tax demand of Rs.5,66,33,010/-. It was requested by our Company that the Penalty Proceedings may be kept in abeyance till the final disposal of the appeal.</p> <p>As on date no new notice/intimation has been received and the said E Proceeding is Open.</p>	Open

- Outstanding Demand:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Company are still outstanding:

Assessment Year	Section Code	Document Identification Number	Date on which the Demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Accrued/Final Interest (in Rupees)
2015	143(3)	2017201510159726925C	December 30, 2017	1	0	5551462
2016	271 (1) (b)	2019201640402587326C	June 20, 2019	1	10000	8800
2016	271 (1) (b)	2019201640402587411C	June 20, 2019	1	10000	8800
2016	271 (1) (b)	2019201640402587190C	June 20, 2019	1	10000	8800
2016	271 (1) (b)	2019201640402587035C	June 20, 2019	1	10000	8800
2016	147	2023201637005460585C	March 11, 2024	1	75344150	-
2018	147	2023201837004596141C	February 7, 2024	1	913010050	-
2019	154	2022201937000354900C	August 30, 2022	1	54734460	8757504
2022	143 (3)	2023202237246231372C	March 22, 2024	1	45817600	-
2022	143 (3)	2023202237246231372C	March 22, 2024	1	10815410	-
Total						1,11,41,05,836

- Tax Deducted at Source (TDS):**

Sr. No	Financial Year	Total Default (in Rupees)
1.	2020-2021	229.66

2.	2021-2022	16,648.00
3.	2022-2023	5,121.50
4.	2023-2024	10,927.80
5.	2024-2025	4,123.00
6.	Prior Years	696,822.56
Total		7,33,872.52

d) Economic Offences where proceedings have been initiated against our Company:

Nil

II. Litigations filed by our Company:

• **Vardhman Polytex Limited v. State of Himachal Pradesh- (RSA/209/2021):**

Our Company filed a Writ Petition numbering RSA 209 of 2021 in the Hon'ble High Court of Himachal Pradesh, Shimla on October 27, 2021 under Section 100 of the Code of Civil Procedure against State of Himachal Pradesh ("Respondent") for an appeal against the judgment and decree dated August 31, 2021, passed by the Additional District Judge, Nalagarh, District Solan. Himachal Pradesh in Civil Appeal No. 261 of 2021, whereby the appeal preferred by our Company against the judgment and decree dated January 16, 2019 in Civil Suit No. 119/1 of 2014 passed by the Senior Civil Judge, Nalagarh, District Solan, Himachal Pradesh, had been dismissed, consequently affirming the judgment of dismissal of the suit of our Company. It was prayed that this appeal may be allowed, and judgment and decree dated March 18, 2021 in Civil Appeal No 261 of 2021 affirming judgment and decree dated January 16, 2029 in Civil Suit No. 119/1 of 2014 be set aside, consequently decreeing the suit filed by our Company. As such the said matter is currently pending in the Hon'ble High Court of Himachal Pradesh, Shimla.

• **Vardhman Polytex Ltd v. Shreepat Financial Services Pvt Ltd- (CS/3394/2015):**

Our Company filed a Suit for Permanent Injunction numbering CS 3394 of 2015 in the Hon'ble Court of Civil Judge, (Junior Division), Ludhiana on July 29, 2015 against Shreepat Financial Services Pvt Ltd and Amarjit Singh (son of Ram Rakha) and Tony Surinder Pal Singh, who are the directors of Shreepat Financial Services Pvt Ltd. ("Defendants") for restraining the Defendants from approaching the purchasers of plots of our Company by making false, baseless, defamatory representations in any form. Our Company had started a project of development of a land and the Defendants had approached our Company for selling the plots of the land on commission basis. Provisional letter of intent mentioned that the Defendants shall be bound to enter the terms and conditions. However, the Defendants then refused to sign the agency agreement and therefore, the letter of intent was not satisfied and stood revoked and withdrawn. Our Company prayed the Court for the grant of permanent injunction restraining the Defendants or their agents from circulating, publishing any further defamatory and false news items, letters etc. through any form of electronic or print media or any other mode of communication and a suit for permanent injunction restraining the Defendants or their agents from approaching the banks of our Company with false, baseless and frivolous applications. As such the said matter is currently pending in the Hon'ble Court of Civil Judge, (Junior Division), Ludhiana.

• **Vardhman Polytex Limited v. Himachal Pradesh State Electricity Board- (CWP/1143/2021):**

Our Company filed a Writ Petition numbering CWP 1143 of 2021 in the Hon'ble High Court of Himachal Pradesh, Shimla on January 28, 2021 under Article 226 of the Constitution of India against Himachal Pradesh State Electricity Board; Assistant Executive Engineer (Electrical Sub Division); Sr. Executive Engineer (Electrical Division); Sr. Executive Engineer (Electrical Systems Division) ("Respondents") for issuance of appropriate orders or directions in the nature of mandamus to the Respondent for a deposited amount of Rs. 1,68,00,000/- (Rupees One Crore Sixty-Eight Lakhs) towards the Infrastructural Development Charges. It was required to be adjusted in pursuance of the order passed by the HPERC in Suo Moto petition No. 25 of 2016 decided on October 05, 2016. The Respondents failed to comply with any statutory obligations of HPERC Regulations, 2013 and our Company prayed for compliance of the order dated October 19, 2020, passed by the Ld. Ombudsman, and directed the Respondent to give the compensation of Rs. 50,000 (Rupees Fifty Thousand) towards the mental agony and the cost of filing the present petition to the petitioner or any other order which this Court deemed just and proper. As such the said matter is currently pending in the Hon'ble High Court of Himachal Pradesh, Shimla.

• **Vardhman Polytex Ltd v. Amarjit Singh Juneja (COMI/358/2021):**

Our Company filed a suit numbering COMI 358 of 2021 in the Hon'ble Court of Illaqa Judicial Magistrate, Police Station, Haibowal, Ludhiana under Section 156(3) of CrPC against Amarjit Singh Juneja ("Accused") for treating the said application as a private complaint and summon the Accused and put them to trial. Amarjit Singh Juneja; Tony Surinder Pal Singh, (both Directors of Shreepat Financial Services Private Limited); Gurpreet Singh (son of Amarjit Singh) and Mandeep Singh ("Accused Parties"). Our Company had started a project of land development and approached the Accused for selling the said plots on commission basis. A provisional Letter of Intent dated January 20, 2014 was issued in which it was specifically mentioned that the accused shall be bound to enter into terms and conditions in the form of agency agreement. However, the accused refused the Letter of Intent which was later withdrawn. Our Company

prays that the SHO, Police Station Haibowal Kalan be directed to register an FIR against the accused and investigate the matter so that the accused be tried and punished as per law or the petition be treated as a private complaint and the accused be summoned to face trial before the Hon'ble Court. As such the said matter is currently pending in the Hon'ble High Court of Illaqa Judicial Magistrate, Police Station, Haibowal, Ludhiana.

- **Vardhman Polytex Limited v. State of Punjab – (C.W.P/20954/2015):**

Our Company filed a Civil Writ Petition numbering 20954 of 2015 in the Hon'ble High Court of Punjab and Chandigarh on September 29, 2015 under Article 226/227 of the Constitution of India against State of Punjab and Department of Revenue ("Respondents") for giving various benefits, to the existing industry as well as for setting up of new projects apart from reviving the sick units and introducing measures for developing mega projects etc along with various tax benefits and concessions. Our Company entered into an agreement for sale and purchase of the land along with building constructed therein and also submitted their proposal bringing into the notice of the Respondents, the details of the project referring the aforesaid industrial policy and seeking the necessary concessions. Our Company filed a Writ of Mandamus directing the Respondents to refund of excess stamp duty and other charges levied upon our Company as imposed at the time of registration of sale deed dated November 11, 2014. Our Company filed a Writ of Mandamus directing the Respondents to decide legal notice dated May 12, 2015 and to pass any other appropriate writ, order or direction which this Hon'ble court may deem fit and proper. As such the said matter is currently pending in the Hon'ble High Court of Punjab and Chandigarh.

- **Vardhman Polytex Ltd. v. Punjab State Power Corporation Ltd and Ors – (C.W.P./574/2021):**

Our Company filed a Civil Writ Petition numbering CWP 574 of 2021 in the Hon'ble High Court for the states of Punjab and Haryana at Chandigarh on January 8, 2021 against Punjab State Power Corporation Ltd and Ors. ("Respondents") under Article 226/227 of the Constitution of India. Our Company filed a Civil Writ Petition in the nature of certiorari / mandamus for the quashing of an order dated October 29, 2019 which was passed in a dispute titled as "Vardhman Polytex Limited, Ludhiana V/s PSPCL" before the Ld. CGRF, Ludhiana, whereby, our Company (earlier known as Vinayak Textiles Mills) applied for change of name to Vardhman Polytex Ltd. which was approved by the Chief Engineer / DS Central Ludhiana. Our Company submitted that the change of name was done with same communication and working however the court stated the opposite. Our Company's prayer for the grant of benefit of threshold consumption, was wrongly declined. Our Company had also filed for a writ in the nature of Certiorari / Mandamus or any other suitable writ / order / direction for quashing of the order dated January 13, 2020 before the Ld. Court of Lokpal (Ombudsman) Electricity, Punjab, SAS Nagar, Mohali, in Appeal No. 65 of 2019 whereby the order was upheld and the appeal filed by our Company was disposed of. Furthermore, our Company also filed a Writ in the nature of Certiorari / Mandamus or any other suitable writ / order / direction for quashing the order dated October 23, 2020, whereby the petition was dismissed on the ground that the commission is not the forum to seek the challenge. Our Company filed a Writ of Mandamus or any other suitable writ / order / direction for directing the Respondents to grant and release the benefit of rebate permissible on the power consumed over the threshold limit to our Company, in terms of the tariff order passed by the Ld. PSERC for the year 2018-19 and the consequential circular or any other relief the court may deem fit. As such the said matter is currently pending in the Hon'ble High Court of Punjab and Chandigarh.

- **Vardhman Polytex Ltd. v. M/s Anant Business Services- (COMA/13382/2017):**

Our Company filed a Complaint Case numbering COMA of 13382/2017 in the Hon'ble Court of Illaqa Judicial Magistrate, Ludhiana on November 6, 2017 under Section 138 of the Negotiable Instruments Act, 1988 against M/s Anant Business Services ("Accused") for the cheque bearing No.261705 dated July 18, 2017 for a sum of Rs.4,55,114/- (Rupees Four Lakh Fifty-five Thousand One Hundred And Fourteen Only) drawn on State Bank of India which got returned when presented in the bank on account of insufficient funds. When the cheque in question was lastly presented due to the negligence of the Officials of Canara Bank, Ludhiana original cheque & memo had been misplaced/lost by them. Certifying the lost/misplace of the said Cheque, a complainant under Section 65 of Indian Evidence Act for proving the Cheque & Memo was filed and a legal notice was issued by our Company dated September 27, 2017 to the accused under Section 138 of the Negotiable Instruments Act requiring the accused to repay the amount due under the said cheque. As such the said matter is currently pending in the Hon'ble Court of Illaqa Judicial Magistrate, Ludhiana.

- **Vardhman Polytex Limited v. State of Himachal Pradesh- (1425/2018):**

Our Company filed a Permanent Prohibitory Injunction suit numbering SPI 1425 of 2018 in the Hon'ble Court of Senior Civil Judge, Nalagarh on September 08, 2018, under Section 38 of Specific Relief Act read with Order VII Rule I Of C.P.C against State of Himachal Pradesh; Executive Engineer (BBNDA, Baddi, Tehsil Baddi, Distt. Solan, H.P.); Chief Executive Officer (BBNDA, Baddi, Tehsil Baddi, Distt. Solan, H.P.); Sub Divisional Officer (Civil) (Nalagarh, Distt. Solan, H.P.); Smt. Amarjit Kaur (Govt. Contractor) ("Defendants") for restraining the Defendants from entering the disputed land for any purpose. Our Company purchased the land in dispute after taking permission from the State of H.P. for the purpose of establishing a factory and a portion of the land had been given under a contract to Smt. Amarjit Kaur (Govt. Contractor), who had been trying to dig out a link road. Our Company prayed for a decree to be passed to not dig any road on the described land or any other relief which the court may deem fit. As such the said matter is currently pending in the Hon'ble Court of Senior Civil Judge, Nalagarh.

- Vardhman Polytex Ltd v. Shreepat Financial Services Pvt. Ltd. And Other- (C.R. No. 6754/2023)**
 Our Company filed a Civil Suit numbering 6754 of 2023 in the Hon'ble High Court of Punjab and Haryana on October 31, 2023 against 2023 against Shreepat Financial Services Pvt. Ltd. And Other ("Defendant") restraining Defendant from circulating any defamatory remarks and false news against our Company and a suit for permanent injunction restraining the Defendant from approaching the bank of our Company with false, baseless, and frivolous applications, which are also derogatory and defamatory in nature and suit for permanent injunction restraining the Defendant from approaching the purchasers of the plots of our Company. It was prayed that an award be passed as the court deemed fit setting aside all the above stated actions being undertaken against our Company. As such the said matter is currently pending in the Hon'ble High Court of Punjab and Haryana
- Vardhman Polytex Ltd v. Union of India (CWP 1909 & 1908/2022)**
 Our Company filed a Civil Writ Petition numbering 1908 and 1908 of 2022 in the Hon'ble High Court of Himachal Pradesh, Shimla dated March 31, 2022 against Union of India and others ("Respondents") for the grant of export incentive namely "Rebate of final stage duty paid on export product". This export incentive is one of many incentives granted by the Government of India to an exporter who exports its products for earning valuable foreign exchange. The final stage Rebate has been denied to our Company on the ground that they have availed input stage incentive called as "Higher Rate Duty Drawback" and granting of rebate on final product will amount to double benefit. It was prayed by our Company that the application deserves to be allowed for the grant and may be allowed in the interest of justice. As such the said matter is currently pending in the Hon'ble High Court of Himachal Pradesh, Shimla
- Vardhman Polytex Ltd v. State of Himachal Pradesh (CMA 336/2018)**
 Our Company filed an Application numbering 336 of 2018 in the Hon'ble Court of Learned Senior Civil Judge, Nalagarh, H.P against the State of Himachal Pradesh ("Respondent") for issuance of ad-interim injunction restraining the Respondents from dispossessing our Company from demolishing the house built in and over the suit land i.e. Khasra No. 96, land measuring 50 bighas 19 biswas. It was prayed by our Company to restrain the Respondents from taking hasty steps to dispossess our Company from the land and entering our Company premises forcibly and illegally and also threatened to demolish the Wall so constructed in and over the suit land, but they have no right, title and interest to do so. As such the said matter is currently pending in the Hon'ble Court of Learned Senior Civil Judge, Nalagarh, H.P.
- Vardhman Polytex Ltd v. Darbara Singh & Ors. (RFA/ 5754/2001)**
 Our Company filed an Application numbering 5754 of 2018 in the Hon'ble High Court of States of Punjab & Haryana against Darbara Singh ("Respondent") on December 22, 2001 for the stay of execution of an award. It was appealed that the award passed by the Hon'ble Court was time barred therefore it was liable to set aside on the grounds that interest had been awarded for the period for which the Respondent was not entitled to. It was prayed by our Company to put a stay on the execution of the award in the interest of the justice. As such the said matter is currently pending the Hon'ble High Court of States of Punjab & Haryana.
- Vardhman Polytex Ltd v. Mahender Singh (RFA/ 164/2002)**
 Our Company filed an Application numbering 164 of 2002 in the Hon'ble High Court of States of Punjab & Haryana against Mahender Singh ("Respondent") on August 15, 2002 for the stay of execution of an award. It was appealed that the award passed by the Hon'ble Court was time barred therefore it was liable to set aside on the grounds that interest had been awarded for the period for which the Respondent was not entitled to. An appeal was filed for allowing a delay of filing of 16 days in the present appeal due to a delay in receiving the certified copy of the said appeal. It was prayed that the delay be allowed in the interest of justice. As such the said matter is currently pending the Hon'ble High Court of States of Punjab & Haryana.

LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANY:

As on the date of this Letter of Offer, our Company does not have any subsidiary Company.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions, and approvals from governmental and regulatory authorities that are material for carrying on our present business activities.

Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for the renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “**Objects of the Issue**” at page 43 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on February 13, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

This Letter of Offer has been approved by our Board pursuant to its resolution dated August 28, 2024. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board at its meeting held on August 22, 2024.

The Board, in its meeting held on August 22, 2024 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 6/- per Rights Equity Share (including a premium of ₹ 5/- per Rights Equity Share) aggregating up to ₹ 4,983.57 lakhs*and the Rights Entitlement as 7 Rights Equity Share for every 23 fully paid-up Equity Share, held as on the Record Date. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date. Entire amount of ₹ 6/- per Rights Equity Share is payable on application.

**Assuming full subscription in the Issue*

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated July 18, 2024 and July 10, 2024, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: INE835A20011 for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see “*Terms of the Issue*” beginning on page 120.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, the members of our Promoter Group and our Directors have not been and are not prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoters and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated by SEBI against any of our Directors, who have been associated with the securities market.

Neither our Promoters nor any of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the BSE and NSE and has received their in-principle approvals through their letters dated July 18, 2024 and July 10, 2024, respectively, for listing of the Rights Equity Shares to be issued pursuant to this Issue. National Stock Exchange of India Limited (NSE) is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Non-applicability of conditions precedent under Clause (3) of Part B of schedule VI of the SEBI ICDR Regulations

1. Our Company's management has not undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, or the SEBI Takeover Regulations, as amended from time to time. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and
2. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under Sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under Sections 230 to 234 of the Companies Act, 2013 as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, and given that the conditions prescribed in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer will not be filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is below ₹ 50.00 crores. However, the Letter of Offer will be filed with SEBI for information and dissemination.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc., after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Manager and their affiliates may engage in transactions with and perform services for our Company or our affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or our affiliates, for which they have received and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ludhiana, Punjab, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is National Stock Exchange of India Limited (NSE).

Disclaimer Clause of BSE

“BSE Limited ("the Exchange") has given vide its letter dated July 18, 2024, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”

Disclaimer Clause of NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/42157 dated July 10, 2024, permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE

SAIDSECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Letter of Offer/Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Filing

The Draft Letter of Offer has been filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, our Company will file this Letter of Offer with the Designated Stock Exchange, in terms of the SEBI ICDR Master Circular.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023 and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Alankit Assignments Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer.

The investor complaints received by our Company are generally disposed of within 7 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see "Terms of the Issue" beginning on page 120.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Alankit Assignments Limited
205-208, Anarkali Complex
Jhandewalan Extension

New Delhi -110 055

Tel: 011-42541966

E-mail: vplrights@alankit.com

Investor grievance email: vplrights@alankit.com

Website: www.alankit.com

Contact Person: Jagdeep Kumar Singla

SEBI Registration No.: INR00002532

Company Secretary and Compliance Officer

Ajay K. Ratra is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Ajay K. Ratra

Vardhman Park, Chandigarh Road,

Ludhiana-141123

Punjab, India

Tel: + 91- 9646208545

E-mail: ajay.ratra@vpl.in

SECTION VII- ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (“SEBI – Rights Issue Circular”) all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important

1. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, our Company will at least three days before the Issue Opening Date, dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at www.vpl.in
- the Registrar to the Issue at www.alankit.com;
- the Lead Manager i.e., Arihant Capital Markets Limited www.arihantcapital.com; and
- the Stock Exchanges at BSE at www.bseindia.com and NSE at www.nseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.alankit.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company i.e. www.vpl.in

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to nonavailability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction outside India, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation, or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the paragraph titled "**Procedure for Application through the ASBA process**" on page 129 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN, or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "**Terms of the Issue – Grounds for Technical Rejection**" on page 138 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected. Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. For details, see “**Terms of the Issue – Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**” on page 131 of the Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “Vardhman Polytex Limited Suspense Escrow Demat Account”) will be opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements shall be generated which is INE835A20011. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two days before the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after entering in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 127 OF THE LETTER OF OFFER.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- a. Frequently asked questions are available on the website of the Registrar (www.alankit.com) or call helpline numbers (011-4254-1966) and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors
- b. Updation of email address/ mobile number in the records maintained by the Registrar or our Company: www.alankit.com.
- c. Updation of Indian address can be sent to Registrar at email id vplrights@alankit.com or by way of Registered post/Courier at 4E/2 Jhandewalan Extension New Delhi – 110055.
- d. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.alankit.com.

- e. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: at www.alankit.com.

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

The Issue has been authorized by the resolutions of Board of Directors on February 13, 2024 pursuant to Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on August 22, 2024 have determined the Issue Price at ₹ 6/- per Equity Share and the Rights Entitlement as 7 Rights Equity Share(s) for every 23 fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated July 18, 2024 and July 10, 2024.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement (“REs”) (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as beneficial owners in respect of the Equity Shares held in dematerialized form or appear in the register of members as Equity Shareholders of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., August 28, 2024 are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue www.alankit.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of identity. The link for the same shall also be available on the website of our Company (www.vpl.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in demat form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.alankit.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and in accordance with the SEBI ICDR Regulations, will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to our Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange’s websites. The distribution of the Letter of Offer Abridged Letter of Offer,

the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of Re. 1.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 6/- per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on August 22, 2024, has determined the Issue Price, in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7 Rights Equity Share(s) for every 23 Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circular, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN- INE835A20011. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On-Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from September 12, 2024 to September 24, 2024 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see “**Procedure for Renunciation of Rights Entitlements – On Market Renunciation**” and “**Procedure for Renunciation of Rights Entitlements – Off Market Renunciation**” on pages 130 and 131 respectively of this Letter of Offer.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

The entire amount of the Issue Price of ₹ 6/- per Rights Equity Share shall be payable at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 7 Rights Equity Share(s) for every 23 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In terms of present ratio, there will be no fractional shares.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares are listed and traded on BSE (Scrip Code: 514175) and NSE (Scrip Code: VARDMNPOLY) and under the ISIN: INE835A01029. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the Existing ISIN of the Company i.e. INE835A01029 and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to the Issue by our Promoter and Promoter Group

For details of the intent and extent of the subscription by our Promoter and Promoter Group, see “*Capital Structure – Intention and extent of participation by our Promoter and Promoter Group in the Issue*” on page 41 of this Letter of Offer.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected, unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to the Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Punjabi language daily newspaper with wide circulation at the place where our Registered Office is situated.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. August 28, 2024 see “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 134 of this Letter of Offer.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company, the Lead Manager or Stock Exchanges.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.alankit.com Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- Our Company at www.vpl.in
- the Registrar to the Issue at www.alankit.com;

- the Lead Manager i.e., Arihant Capital Markets Limited www.arihantcapital.com/; and
- the Stock Exchange at
- BSE at www.bseindia.com and NSE at www.nseindia.com.
- The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.alankit.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.vpl.in).

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Common Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “Grounds for Technical Rejection” on page 138 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 131 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.alankit.com and link of the same would also be available on the website of our Company at (www.vpl.in). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be able to apply in this Issue. Such resident Eligible Equity Shareholders must check the procedure for Application in “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 134 of this Letter of Offer.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 131 of this Letter of Offer.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 120 of this Letter of Offer. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 142 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialised Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No.

44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of Res not later than two working days prior to issue closing date, such that credit of Res in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.alankit.com). Such Eligible Equity Shareholders can make an Application or renounce their entitlement only after the Rights Entitlements are credited to their respective demat accounts.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

a. On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE835A20011 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., September 12, 2024 to September 24, 2024 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN: INE835A20011 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b. Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE835A20011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the websites of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Vardhman Polytex Ltd.;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number and DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ 6/- per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;

- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.alankit.com. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is September 27, 2024 i.e., the Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any

committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under “*Terms of the Issue - Basis of Allotment*” on page 142 of this Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our

Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date; Alternatively they can upload the above mentioned documents in the investor portal of the Registrar to the issue at www.alankit.com;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (One) day before the Issue Closing Date; and
3. The remaining procedure for Application shall be same as set out in “*Procedure for Application through the ASBA process*” on page 129 of this Letter of Offer.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. AUGUST 28, 2024 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 142 OF THIS LETTER OF OFFER.

General instructions for Investors

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (c) Application should be made only through the ASBA facility.
- (d) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (e) In accordance with the Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Circular and ASBA Circular, an Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with a SCSB, prior to making the Application.
- (f) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “Application on Plain Paper under ASBA process” on page 131 of this Letter of Offer.
- (h) Applications should be submitted to the Designated Branch of the SCSB or made online / electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (i) Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (j) Applications should not be submitted to the Banker to the Issue, our Company or the Registrar or the Lead Manager.
- (k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income Tax Act, 1961, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (l) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (Demographic Details) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and / or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed

to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match 3 parameters i.e., (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(m) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(o) Investors should provide correct DP ID and Client ID / Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID should match the demat account details in the records available with Company and / or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(q) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(r) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(s) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(t) Do not submit the General Index Registrar number instead of the PAN as the application is liable to be rejected on this ground.

(u) Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.

(v) Do not pay the Application Money in cash, by money order, pay order or postal order.

(w) Do not submit multiple Applications.

(x) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(y) No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

(z) An Applicant being an Overseas Corporate Body (OCB) is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

(aa) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

Do's:

- (a) Ensure that the Common Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income Tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Dont's:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Dont's for Investors applying through ASBA:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (c) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to a regulatory order.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the General Index Registrar number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Applicants holding physical shares not submitting the documents.
- (s) Application from investors who do not hold Rights Entitlement (REs) as on issue closing date in the demat account from which application is submitted.
- (t) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

(u) Application from Resident of countries which shares the border of India which is not having documentary evidence of approval from Ministry of Home Affairs.

(v) Applications supported by amounts blocked from a third party bank account.

(w) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar/Depositories.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

Modes of Payment

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Common Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

2. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of a Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in

dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” on page 145 of this Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*” on page 41 of this Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is September 27, 2024, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “*Basis of Allotment*” on page 142 of this Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges. Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

Last date for credit of Rights Entitlements	September 11, 2024
Issue Opening Date	September 12, 2024
Last date for On Market Renunciation of the Rights Entitlement*	September 24, 2024
Issue Closing Date	September 27, 2024
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	October 8, 2024
Date of Allotment (on or about)	October 8, 2024
Date of credit (on or about)	October 10, 2024
Date of listing (on or about)	October 11, 2024

* *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager. Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our

Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.alankit.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.alankit.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.alankit.com).

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board or duly authorized committee will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, i.e. August 28, 2024 provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a). The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or our duly authorized committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(c) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a) and(b) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to any other person, that our Board or a duly authorized committee may deem fit, provided there is surplus available after making Allotment under (a), (b) and(c) above, and the decision of our Board or a duly authorized committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send / dispatch Allotment advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address alongwith crediting the Allotted rights Equity shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "Officers in default" shall pay interest at such rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility;
2. National Automated Clearing House (“NACH”) – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
3. National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchanges in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws. As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchanges in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors, or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10.00 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than 6 months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than 3 years) and fine of an amount not less than the amount involved in the fraud, extending up to 3 times of such amount. Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than 3 years. In case the fraud involves (i) an amount which is less than ₹ 10.00 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to 5 years or a fine of an amount extending up to ₹ 50.00 lakhs or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account.
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized.
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

D. Our Company may utilise the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the timeline specified by SEBI.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
8. No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
10. Our Company accepts full responsibility for the accuracy of information given in the Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof. If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instructions. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Common Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Common Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Common Application Form and super scribed "Vardhman Polytex Ltd. – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

ALANKIT ASSIGNMENTS LIMITED

4E/2 Jhandewalan Extension New Delhi – 110055

Tel No: 011-42541966;
E-mail: vpwrights@alankit.com
SEBI Registration Number: INR00002532
Website: www.alankit.com
Contact Person: Jagdeep Kumar Singla

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.alankit.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 011-4254-1966.

4. This Issue will remain open for a minimum 7 days. Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the 'government route', where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ('**FDI Circular 2020**'), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated December 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on the part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants/Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII- STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 11:00 AM and 01:00 PM on all working days and will also be available on the website of our Company from the date of this Letter of Offer until the Issue Closing Date.

A. MATERIAL CONTRACTS:

- i. Issue Agreement dated May 20, 2024 entered into between our Company and the Lead Manager.
- ii. Registrar Agreement dated May 30, 2024 entered into between our Company and the Registrar to the Issue.
- iii. Escrow Agreement dated August 23, 2024 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

B. DOCUMENTS FOR INSPECTION:

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- ii. Initial Certificate of incorporation dated August 20, 1980, of our Company in the name of Punjab Mohta Poytex Limited
- iii. Fresh certificate of incorporation consequent to change of name to Vardhman Polytex Limited dated August 20, 1991.
- iv. Certificate of Commencement of Business dated December 02, 1982, of our Company.
- v. Resolution of the Board of Directors dated February 13, 2024 and August 22, 2024 in relation to the Issue including Issue Price and the Rights Entitlement Ratio.
- vi. Resolution of the Board Of Directors dated June 10, 2024 approving and adopting the Draft Letter of Offer.
- vii. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Banker to the Issue, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Letter of Offer in their respective capacities.
- viii. Annual Reports of our Company for the Financial Years 2023-2024, 2022-2023, and 2021-2022.
- ix. Independent Auditors Report for Financial Years 2023-2024, 2022-2023, 2021-2022 dated May 27, 2024, May 30, 2023, and May 30, 2022
- x. In-principle listing approvals dated July 18, 2024 and July 10, 2024 issued by BSE and NSE, respectively.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies, 1956, the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines / regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

Signed by Directors of our Company

Sd/- Adish Oswal	Sd/- Manju Oswal
Sd/- Suresh Kumar Banka	Sd/- Sagar Bhatia
Sd/- Sanchi Taneja	Sd/- Rohit Jain

Signed by Chief Financial Officer Sd/- Radha Mohan Soni	Signed by Company Secretary & Compliance Officer Sd/- Ajay Kumar Ratra
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Date : August 28, 2024
Place : Ludhiana

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated August 28, 2024 (“Letter of Offer”) which is available on the websites of the Registrar, our Company, the Lead Manager and the stock exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, together with BSE, the “Stock Exchanges”). You are encouraged to read greater details available in the Letter of Offer. Capitalised terms not specifically defined herein shall have the same meaning as ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Our Company has made available on the Registrar’s website at <https://rights.alankit.com> and the Company’s website at www.vpl.in, the Letter of Offer, this Abridged Letter of Offer along with the Rights Entitlement Letter and Application Form to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Stock Exchange and the Lead Manager to the Issue i.e., Aриhant Capital Markets Limited at www.bseindia.com, www.nseindia.com and www.arihantcapital.com, respectively.



VARDHMAN POLYTEX LIMITED

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

Telephone: +91 – 161 - 6629888; E-mail: info@vpl.in; Website: www.vpl.in;

Contact Person: Mr. Ajay K Ratra, Company Secretary and Compliance Officer; email : info@vpl.in

Corporate Identification Number: L17122PB1980PLC004242

PROMOTER OF THE COMPANY

MRS. MANJU OSWAL, MR. ADISH OSWAL, MS. AKETA OSWAL, MRS. RAKHI OSWAL, MR. ABHINAV OSWAL, ASHOK KUMAR (HUF) AND LATE ASHOK KUMAR OSWAL

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UPTO 8,30,59,434 EQUITY SHARES OF FACE VALUE ₹ 1/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 6/- PER EQUITY SHARE INCLUDING PREMIUM OF ₹ 5/- PER EQUITY SHARE AGGREGATING UPTO ₹ 4,983.57* LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 RIGHTS EQUITY SHARES FOR EVERY 23 FULLY PAID-UP EQUITY SHARE HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE THAT IS AUGUST 28, 2024. PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 120 OF THE LETTER OF OFFER.

**Assuming full subscription.*

Listing: The existing Equity Shares of our Company are listed on BSE and NSE. Our Company has received an “in-principle” approval from BSE and NSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to letter dated July 18, 2024 and July 10, 2024, respectively. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purpose of this Issue, the Designated Stock Exchange is NSE.

Procedure: If you wish to know about processes and procedures applicable to Rights Issues, you may refer section titled “Terms of the Issue” on page 120 of the Letter of Offer. You may also download the Letter of Offer from the websites of the Company, BSE, NSE, Registrar, the Lead Manager to the Issue as stated above. You can also request the Lead Manager to the Issue, BSE or NSE to provide a hard copy of Letter of Offer. Please note that in terms of Regulation 72(5) of the SEBI ICDR Regulations, the Lead Manager and the Stock Exchange may charge a reasonable amount for providing hard copy of the Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited and National Stock Exchange of India Limited. Our Company is eligible to offer Rights Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”). Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance of Part B of Schedule VI of the SEBI ICDR Regulations: As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in the Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Minimum Subscription: If our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than four days after our Company becomes liable to pay subscription amount or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER**INDICATIVE TIMETABLE**

Last Date for credit of Rights Entitlements	September 11, 2024	Finalization of Basis of Allotment (on or about)	October 8, 2024
Issue Opening Date	September 12, 2024	Date of Allotment (on or about)	October 8, 2024
Last Date for On Market Renunciation[#]	September 24, 2024	Date of credit Allottee (on or about)	October 10, 2024
Issue Closing Date[*]	September 27, 2024	Date of listing (on or about)	October 11, 2024

Note : Our Board or the Rights Issue Committee may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

*^{**}Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, this Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other material relating to the Issue (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials as applicable will be physically dispatched, on reasonable effort basis, to the Indian address provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have registered their email address with their respective depositories or RTA and who make a request in this regard. Investors can also access, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange, as provided above, subject to the applicable law.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (the “U. S. Securities Act”), and may not be offered, sold, resold or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. securities Act and applicable state securities laws. Accordingly, the Rights Entitlements (including their credit) and the Rights Equity Shares are only being offered and sold outside the United States in “Offshore Transactions” as defined and in reliance on Regulation S under the U.S. Securities Act (“Regulation S”) and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The Offering to which the Letter of Offer relates in not, under no circumstances is to be constructed as, an offering of any Equity Shares occurs. The offering to which the Letter of Offer relates is not, and under no circumstances is to be constructed as, an offering of any Equity Shares or the Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy or transfer any of the Equity Shares or Rights Entitlement. There is no intention to Register any.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the

Application Form, including to the effect that such person is submitting and / or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form

Rights Entitlements may not be transferred or sold to any person in the United States.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Specific attention of the Investors is invited to the statement of “Risk Factors” beginning on page 16 of the Letter of Offer.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Name of Lead Manager to the Issue and contact details	Arihant Capital Markets Limited 1011, Solitaire Corporate Park, Bldg no -10, 1st Floor, Guru Hargovindji Road, Chakala, Andheri (East), Mumbai, 400093 Telephone: +91-22-42254800; Email: mbd@arihantcapital.com ; Website: www.arihantcapital.com Investor Grievance Email: mbd@arihantcapital.com Contact Persons: Amol Kshirsagar / Satish Kumar P SEBI Registration Number: INM000011070
Name of Registrar to the Issue and contact details	Alankit Assignments Limited 4E/2 Jhandewalan Extension New Delhi -110055, India. Andheri (East) Mumbai 400 093 Telephone: 011-42541966 E-mail: vplrights@alankit.com ; Website: www.alankit.com Investor Grievance Email: vplrights@alankit.com Contact Person: Jagdeep Kumar Singla SEBI Registration Number: INR000002532
Name of Statutory Auditor	Romesh K. Aggarwal & Associates
Self-Certified Syndicate Banks (“SCSBs”)	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.
Banker to the Issue/Refund Bank	Indusind Bank Limited PNA House, 4th floor, Plot No. 57 & 57/1, Road No. 17, Near SRL, MIDC, Andheri East, Mumbai – 400 093. Telephone: 91-22-2261069318 Contact Person: Kaushik Chatterjee E-mail: nseclg@induind.com

1. Summary of our Business

Our company is engaged in the manufacturing of yarns. It has production facilities located in Ludhiana, and Nalagarh in India. The Company's principal activity is manufacturing yarns. Its diverse yarn portfolio spans Cotton (Combed, Organic, BCI), Cotton-Polyester blends and Value-Added Yarn (Grey) across various counts. Employing the finest raw materials, each thread adheres to the highest global standards, showcasing our commitment to excellence in yarn manufacturing. For further information, refer chapter titled “Our Business” on page 60 of the Letter of Offer.

2. Summary of Objects of the Issue and Means of Finance

The details of the Issue Proceeds are set forth in the following table.

	(Rs. in lakhs)
Particulars	Amount
Gross Proceeds #	4,983.57
Less: Issue Expenses	80.00
Net Proceeds	4,903.57

assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

	(Rs. in lakhs)
Particulars	Amount
Repayment of debts of the Company	2,500.00
Modernization of plants	1,220.00
General Corporate Purposes*	1,183.57
Total net proceeds	4,903.57

*The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

For further details, please see chapter titled “Objects of the Issue” beginning on page 43 of the Letter of Offer.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

3. Means of Finance

The funding requirements mentioned above are based on our Company's internal management estimates and the same have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management, subject to applicable law. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws.

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

For further details, refer chapter titled "Object of the Issue" on page 43 of the Letter of Offer.

4. **Name of Monitoring Agency** – As this is an Issue for an amount less than ₹ 10,000 lakhs, there is no requirement for the appointment of a monitoring agency.

5. Shareholding Pattern

Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations

- i. The details of the Shareholding pattern as in the format prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as submitted to the stock exchanges, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/varhman-polytex-ltd/varhmanpoly/514175/shareholding-pattern/> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VARDMNPOLY&tabIndex=equity>
- ii. The details of specified securities held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such specified securities can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=514175&qtrid=122.00&QtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VARDMNPOLY&tabIndex=equity>
- iii. The details of the shareholders holding more than one per cent. of the share capital of the issuer can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=514175&qtrid=122.00&QtrName=June%202024>; and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VARDMNPOLY&tabIndex=equity>

6. Board of Directors

Sr. No.	Name	Age	Designation	Other Directorships
1.	Mr. Adish Oswal	44	Chairman and Managing Director	1. Panchsheel Textile Mfg and Trading Company Pvt. Ltd. 2. Oswal Tradecom Private Limited 3. Kent Investments Private Limited 4. Calgary Investment and Trading Co. Pvt. Ltd. 5. Pioneer Mercantile India Pvt. Ltd. 6. Boras Investment and Trading Co. Pvt. Ltd. 7. Adesh Investment and Trading Company Private Limited 8. Alma Assets Consultancy Private Limited 9. Allepy Investment and Trading Co. Pvt. Ltd. 10. Oswal Holding Private Limited 11. Gagan Mercantile Company Private Limited 12. Ruby Mercantile Company Private Limited
2.	Mrs. Manju Oswal	66	Non-Execuive Director	1. Enakshi Investments Private Limited 2. Liberty Mercantile Company Pvt Ltd 3. Nighthagle Dealcom Private Limited
3.	Mr. Suresh Kumar Banka	62	Non-Executive Director	Nil
4.	Mr. Sagar Bhatia	29	Non-Executive Independent Director	Nil
5.	Mrs. Sanchi Taneja	32	Non-Executive Independent Director	FMI Limited
6	Mr. Rohit Jain	34	Non-Executive Independent Director	Taneja Jain & Associates, LLP

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

For further details, refer chapter titled “*Our Management*” on page 84 of the Letter of Offer.

7. Neither of our Company, nor our Promoters or our Directors have been categorized or identified as Wilful Defaulter(s) or Fraudulent Borrower(s) by RBI or any other government authority.

8. Financial Statement Summary

Following are the details as per the Audited Consolidated Financial Information as at and for the Financial Year ended on March 31, 2022 and unaudited consolidated financial results for the quarter ended on June 30, 2022

(Rs. in lakhs) :

Particulars	As of and for the FY ended 31/03/2024	For the period ended 30/06/2024
Total Income from operations (net)	39,960.99	6,907.24
Profit/ (loss) before Tax	(2,675.98)	(1,075.36)
Profit/ (loss) after Tax	(2,675.98)	(1,075.36)
Equity Share Capital	2,729.10	2,729.10
Reserves & Surplus	(38,832.86)	(39,916.25)
Net Worth	(36,103.76)	(37187.15)
Earnings per share		
-Basic (Rs.)	(10.83)	(0.39)
-Diluted (Rs.)	(8.31)	(0.30)
Net Asset Value per Equity Share (Rs.)	(132.29)	(13.63)
Return on Net Worth (RONW) (%)	(7.41)	(2.89)

For further details, refer chapter titled “*Financial Statements*” on page 88 of the Letter of Offer.

9. Internal Risk Factors

The below mentioned are top 10 risk factors as per the Letter of Offer:

1. Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may cause monetary losses to our Company.
2. Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of manufacturing operations or shutdown of our manufacturing facilities may have a material adverse effect on our business, financial condition and result of operations.
3. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.
4. Our indebtedness, including various conditions and restrictions imposed on us by our financing agreements, could adversely affect our ability to react to changes in our business, and we may be limited in our ability to use debt to fund future capital needs.
5. Any inability on our part to comply with prescribed technical specifications and standards of quality in connection with our products could adversely impact our operations and profitability.
6. Our operations are subject to high working capital finance requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.
7. Changes in technology may affect our business by making our manufacturing facilities or equipment less competitive.
8. Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on the results of our operations and profitability.
9. Certain immovable properties purchased are not held in the name of our Company.
10. Our Company had defaulted in repayment of foreign currency convertible bonds ("FCCBs") that upon conversion shall result into Equity Shares.

For further details, refer chapter titled “*Risk Factors*” on page 16 of the Letter of Offer.

10. Summary of Outstanding Litigations and Defaults

A summary of material outstanding legal proceedings involving our Company, as on the date of the Letter of Offer, including the aggregate

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

approximate amount involved to the extent ascertainable, is set out below

Nature of Cases	Number of Cases	Amount Involved (in Rs.)
Issuer Company – Vardhman Polytex Ltd		
E-Proceedings	29	1,00,00,32,621.00*
Outstanding Demand	10	1,11,41,05,836.00
TDS Default	5	7,33,872.52
Litigations filed against our Company	18	2,01,80,33,190.26
Litigations filed by our Company	13	1,73,05,114.00

* to the extent quantifiable

For details, please refer to chapter titled "Outstanding Litigations and Defaults" on page 94 of the Letter of Offer.

11. Terms of the Issue

Process of making an Application in the Issue

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Terms of the Issue – Procedure for Application through the ASBA process” on page 129 of the Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see ‘Term of the Issue - Credit of Rights entitlements in demat accounts of Eligible Equity Shareholders’ on page 122 of the Letter of offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Investors should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN, or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Terms of the Issue – Grounds for Technical Rejection” on page 138 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Investors.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholder making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Terms of the Issue – Application on Plain Paper under ASBA process” on page 131 of the Letter of Offer.

Making an Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an

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SCSB, prior to making the Application. Investors desiring to make an Application in this Issue, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not be responsible for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the websites of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Issuer, being Vardhman Polytex Ltd.;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number and DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option preferred - only Demat form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for;
8. Number of Additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for within the Right Entitlements;
10. Total amount paid at the rate of ₹ 6/- per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts,

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- PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
 15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
 16. Additionally, all such Applicants are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (“U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States (including its territories or possessions thereof any state of the United States and the District of Columbia) (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state of the United States. I/ we understand the Rights Equity Shares and the Rights Entitlement referred to in this application are being offered and sold only outside the United States in offshore transactions in reliance with Regulation S under the U.S. Securities Act (“Regulation S”) to existing shareholders who are located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in compliance with the applicable laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and am/are eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) am/are complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in “Restrictions on Foreign Ownership of Indian Securities” on page 315 of the Letter of Offer.

I/ We acknowledge that we, the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.cameoindia.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB, or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Making an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish details of their demat account to the Registrar or our Company at least 2 (two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat account at least 1 (one) day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder. For further details, see ‘Terms of the Issue – Credit of Rights Entitlement in Demat account of Eligible Equity

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Shareholders' on page 122 of the Letter of Offer.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than 2 (two) Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (one) day before the Issue Closing Date; and
3. The remaining procedure for Application shall be same as set out in "*Terms of the Issue - Application on Plain Paper under ASBA process*" on page 131 of the Letter of Offer.

In accordance with SEBI Rights Issue Circular, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

Terms of Payment

₹ 6/- per Rights Equity Share (including premium of ₹ 5/- per Rights Equity Share) shall be payable, in entirety at the time of making the Application.

Where an Applicant has applied for Additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares in the Issue than applied for, the excess Application Money paid/ blocked shall be refunded/ unblocked. The unblocking of ASBA funds/ refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7 (seven) Rights Equity Shares for every 23 (twenty three) Fully Paid up Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 7 (seven) Rights Equity Shares for every 23 (twenty three) Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 23 Equity Shares or not in the multiple of 23 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement.

However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlements, if any. For example, if an Eligible Equity Shareholder holds 24 Equity Shares, such Equity Shareholder will be entitled to one Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above their Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than 23 Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of Additional Rights Equity Share, if such Equity Shareholders have

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applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable

Credit of Rights Entitlements in Demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall Credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any. Eligible Equity Shareholders, holding Equity Shares in physical form as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar to the Issue not later than two Working Days prior to the Issue Closing Date, i.e., by September 24, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

In this regard, our Company has made necessary arrangements with CDSL and NSDL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. Our Company shall apply for a separate ISIN for the Rights Entitlements. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or our Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1(one) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 120 OF THE LETTER OF OFFER.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Designated Stock Exchange, being NSE or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 130 of the Letter of Offer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (**On Market Renunciation**); or (b) through an off-market transfer (**Off Market Renunciation**), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of Rights Entitlement not later than two Working Days prior to Issue Closing Date, such that credit of Rights Entitlement in their demat account takes place at least one day before Issue Closing Date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE835A20011 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from September 12, 2024 to September 24, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE835A20011 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account. The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchange and SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE835A20011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the CDSL and NSDL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to

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time.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. The details of each of the Eligible Equity Shareholders' Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue and link of the same would also be available on the website of our Company. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) Renounce its Rights Entitlements in full.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange, being NSE. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in 'Terms of the Issue - Basis of Allotment' beginning on page 142 of Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Intention and extent of participation by our Promoters and Promoter Group

The Promoters of our Company through its letters dated May 31, 2024 and June 6, 2024, have confirmed that they will not be subscribing in part or to the full extent of their Rights Entitlement in this Issue.

12. **Availability of offer document of the immediately preceding public issue or rights issue for inspection:** Not Applicable since no public rights issue has been made during the past over 10 years.
13. **Any other important information as per Lead Manager and the Issuer:** Nil

DECLARATION BY THE COMPANY


We hereby declare that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in the Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/- Adish Oswal Chairman and Managing Director Place: Ludhiana	Sd/- Manju Oswal Non-Executive Director Place: Ludhiana	Sd/- Suresh Kumar Banka Non-Executive Director Place: Ludhiana
Sd/- Sagar Bhatia Non-Executive Independent Director Place: Ludhiana	Sd/- Sanchi Taneja Non-Executive Independent Director Place: Ludhiana	Sd/- Rohit Jain Non-Executive Independent Director Place: Ludhiana
Sd/- Radha Mohan Soni Chief Financial Officer Place : Ludhiana	Sd/- Ajay K Ratra Company Secretary & Compliance Officer Place : Ludhiana	

Date: August 28, 2024

<p align="center">APPLICATION FORM FOR ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY AND RENOUNCEES ONLY USING ASBA FACILITY</p> <p><i>The Investors may also apply in the Issue only using ASBA facility. Further, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company shall not be eligible to apply in this Issue.</i></p> <p align="center">Application No.:</p> <p align="center">Collecting SCSBs Sign and Seal</p>	 <p>VARDHMAN POLYTEX LTD. Office: Vardhman Park Chandigarh Road, Ludhiana - 141123, Punjab, India; Telephone: +91 – 161 - 6629888; E-mail: info@vpl.in; Website: www.vpl.in; Contact Person: Mr. Ajay K. Ratra, Company Secretary and Compliance Officer Corporate Identification Number: L17122PB1980PLC004242</p>	<p>NOT INTENDED FOR ELIGIBLE EQUITY SHAREHOLDERS IN THE UNITED STATES</p>	
	ISSUE OPENS ON	Thursday, September 12, 2024	
	LAST DATE FOR ON MARKET RENUMCIATION	Tuesday, September 24, 2024	
	ISSUE CLOSES ON	Friday, September 27, 2024	
		<p><i>*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.</i></p> <p><i>Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</i></p>	
<p>Please read the letter of offer dated August 28, 2024 (“Letter of Offer” or “LOF”), the Abridged Letter of Offer, the Rights Entitlement Letter and instructions on the reverse of this Application Form carefully. All capitalised terms not defined herein shall carry the same meaning as ascribed to them in the Letter of Offer.</p> <p align="center">DO NOT TEAR OR DETACH ANY PART OF THIS APPLICATION FORM THIS DOCUMENT IS NOT NEGOTIABLE.</p>			
<p>ISSUE OF UPTO 8,30,59,434 EQUITY SHARES OF FACE VALUE ₹ 1/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 6/- PER EQUITY SHARE INCLUDING PREMIUM OF ₹ 5/- PER EQUITY SHARE AGGREGATING UPTO ₹ 4,983.57 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 RIGHTS EQUITY SHARES FOR EVERY 23 FULLY PAID-UP EQUITY SHARE HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE THAT IS AUGUST 28, 2024. PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 120 OF THE LETTER OF OFFER</p> <p><i>*Assuming full subscription. Subject to finalisation of the Basis of Allotment.</i></p>			
<p>The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof (the “United States” or “U.S.”), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Shares referred to in the letter of offer are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.</p>			

To,

The Board of Directors,
VARDHMAN POLYTEX LIMITED

Date: _____

Dear Sir/ Madam,

- I/We hereby accept and apply for Allotment of the Rights Equity Shares (including Additional Rights Equity Shares “if applicable”) mentioned in **Block I** of Point 5 below in response to the Abridged Letter of Offer/ Letter of Offer dated August 28, 2024 and any addenda thereto offering the Rights Equity Shares to me/us on rights basis.
- I/We agree to pay the amount specified in **Block II** of Point 5 below at the rate of ₹ 6/- per Rights Equity Share payable on Application on the total number of Rights Equity Shares specified in **Block I** of Point 5 below.
- I/We agree to accept the Rights Equity Shares Allotted to me/us and to hold such Rights Equity Shares upon the terms and conditions of the Abridged Letter of Offer/ Letter of Offer dated August 28, 2024 and any addendum thereto, this Application Form, Rights Entitlement Letter and subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SEBI Master Circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (“**SEBI Master Circular**”) as applicable and the rules made thereunder and the Memorandum and Articles of Association of the Company.
- I/We undertake that I/we will sign all such other documents and do all other such acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the Rights Equity Shares in respect of which this application may be accepted.
- I/We also agree to accept the Rights Equity Shares subject to laws, as applicable, guidelines, circulars, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/Government of India/RBI and/or other authorities.
- I/We hereby solemnly declare that I am/we are not applying for the Rights Equity Shares in contravention of section 269SS of the Income-Tax Act, 1961.
- I/We authorise you to place my/our name(s) on the Register of Members / Register of Significant Beneficial Owners. All such Resident Eligible Equity Shareholders are deemed to have accepted the following:
 - “I/We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “**United States**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“**Regulation S**”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Right Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.
 - I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
 - I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled “Other Regulatory and Statutory Disclosures – Selling Restrictions” on page 245 of the Letter of Offer.
 - I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.
 - I/ We acknowledge that we will rely upon the truth and accuracy of the foregoing representations and agreements.”

1. NAME AND CONTACT DETAILS OF APPLICANT

Name of Sole/First Applicant														
Name of Second Applicant														
Name of Third Applicant														
Indian Address														
Email														
Telephone / Mobile No.														

2. PERMANENT ACCOUNT NUMBER (PAN)

Sole/First Applicant														
Second Applicant														
Third Applicant														

3. TYPE OF APPLICANTS (Please tick Resident Non-Resident

Note: Non-resident Applicants applying on non-repatriation basis should select "Resident".

4. DEPOSITORY ACCOUNT DETAILS : please provide your DP ID and Client ID (Please tick for NSDL or CDSL) : - NSDL CDSL
For NSDL enter 8-digit DP ID followed by 8-digit Client ID / For CDSL enter 16-digit Client ID

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Note: Allotment of Rights Equity Shares shall be made in dematerialized form only.

5. APPLICATION DETAILS

Rights Equity Shares (Including additional Rights Equity Shares) applied for [BLOCK I]

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Total amount payable on application @ ₹ 6/- per Equity Share [BLOCK II] = [BLOCK I] x ₹ 6/-

(₹ in Figures)							(₹ in Words)							

6. PAYMENT DETAILS [IN CAPITAL LETTERS]

Amount Blocked (₹ in figures):										(₹ in Words)				
ASBA BANK A/c No.														

Name of ASBA Bank Account Holder: _____

SCSB Name and Address: _____

I/We authorise the SCSB to block the amount specified above as part of the ASBA process. I/ We confirm that I/ we are making the payment towards my/our Application through my/ our bank account only and not using any third party bank account for making such payment. Further, I/we confirm that the ASBA Account is held in my/our own name. I/We understand that on Application, Investors will have to pay the entire amount of the Issue Price, i.e., ₹ 6/- per Rights Equity Share. Further, I/we understand that Rights Equity Shares in respect of which the calls payable remain unpaid may be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and the Articles of Association

7. SIGNATURE OF ASBA BANK ACCOUNT HOLDER

Sole/First Account Holder

Second Joint Account Holder

Third Joint Account Holder

Note: Signature(s) as per the specimen recorded with the SCSB. In case of joint shareholders, all the joint shareholders must sign in the same sequence as per specimen recorded with the SCSB.

8. SIGNATURE OF APPLICANT(S)

I/We hereby confirm that I/We have read, understood and accept the terms and conditions of this Application Form, Rights Entitlement Letter, Abridged Letter of Offer/ Letter of Offer dated August 28, 2024 and any addenda thereto. I/We hereby confirm that I/We have read the Instructions for filling up this Application Form given overleaf. I/We understand that in case of Allotment of Rights Equity Shares to me/ us, my/our Beneficiary Account as mentioned in this Application Form would get credited to the extent of allotted Rights Equity Shares.

Sole/First Applicant

Second Joint Applicant

Third Joint Applicant

Note: Signature(s) as per the specimen recorded with the Depository. In case of joint shareholders, all the joint shareholders must sign in the same sequence as per specimen recorded with the Depository.

----- Tear Here -----

VARDHMAN POLYTEX LIMITED – RIGHTS ISSUE
ACKNOWLEDGEMENT SLIP FOR APPLICANT

APPLICATION FORM NO.

Received from																
PAN																
DP ID and Client ID																
Amount blocked (₹ in figures)					Bank & Branch					Collecting SCSB's Sign & Seal						
ASBA Account No.																
Tel. / Mobile No.					Email Id:											

GENERAL INSTRUCTION

- (a) Please read the instructions printed on the Application Form carefully.
- (b) The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees.
- (c) Please read the Letter of Offer, and any addenda thereto carefully to understand the Application process and applicable settlement process. All references in this Application Form to the "Abridged Letter of Offer" are to the Abridged Letter of Offer read together with the Letter of Offer and any addenda thereto. For accessing the Letter of Offer, the Abridged Letter of Offer, and any addenda thereto and the Application Form, please refer to the links provided below on page 4 of this Application Form.
- (d) **In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Master Circular, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see "Procedure for Application through the ASBA Process" on page 129 of the Letter of Offer.**
- (e) **Applications should be submitted to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, i.e., Friday, September 27, 2024, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.**
- (f) In accordance with the SEBI Master Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date i.e. **Wednesday, August 28, 2024** are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. **Tuesday, September 24, 2024** in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. For further details, please refer to the chapter titled "Terms of the Issue" at page 120 of the Letter of Offer.
- (g) The Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e., **Tuesday, September 24, 2024**, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form, post which they can apply to the Issue through ASBA mode. Eligible Equity Shareholders holding Equity Shares in physical form must check the procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form and credit of Rights Equity Shares in "Procedure Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 134 of the Letter of Offer.
- (h) The Application should be completed in all respects. Any Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, and any addenda thereto and Abridged Letter of Offer the Rights Entitlement Letter and the Application Form are liable to be rejected. **The Application Form must be filled in English.**
- (i) An Investor, wishing to participate in this Issue, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application and required to provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form. Please note that only those Investors who have a demat account can apply through ASBA facility.
- (j) In case of non-receipt of Application Form, Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the heading "Applications on Plain Paper under ASBA process" on page 131 of the Letter of Offer and any addenda thereto.
- (k) The plain paper Application should be submitted at a Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB and not to the Bankers to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB) or to our Company or the Registrar.
- (l) **All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the Income Tax Act, 1961, irrespective of the amount of the Application.** Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Application Forms without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.
- (m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. **Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for Application.** In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded the SCSB.
- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (p) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Physical folio number and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should send the intimation for such change to the respective depository participant for shares held in electronic form, and to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (q) Only Eligible Equity Shareholders who are eligible to subscribe for Rights Entitlement and Rights Equity Shares in their respective jurisdictions under applicable securities laws are eligible to participate.
- (r) Only the Investors holding Equity Shares in demat form or the Physical Shareholders who furnish the details of their demat accounts to the Registrar not later than two Working Days prior to the Issue Closing Date are eligible to participate in the Issue. In accordance with the SEBI Master Circular, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to apply in this Rights Issue.
- (s) Please note that ASBA Applications may be submitted at all designated branches of the SCSBs available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
- (t) Investors are required to ensure that the number of Rights Equity Shares applied by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.
- (u) **The Investors shall submit only one Application Form for the Rights Entitlements available in a particular demat account.** In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations such the Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts; the Investors are required to submit the Application Form separately from each demat account.
- (v) **Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**
- (w) The Company reserves the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.
- (x) **PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "TERMS OF THE ISSUE - PROCEDURE FOR APPLICATION" ON PAGE 120 OF THE LETTER OF OFFER.**
- (y) Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is Friday, September 27, 2024, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "Terms of the Issue - Basis of Allotment" on page 142 of the Letter of Offer. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

LIST OF SELF CERTIFIED SYNDICATE BANKS (SCSBs)

The list of banks who have registered with SEBI to act as SCSBs for the ASBA Process is <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For this Issue, following banks would be acting as SCSB: 1. AU Small Finance Bank Limited; 2. Axis Bank Ltd; 3. Bandhan Bank; 4. Bank of Baroda; 5. Bank of India; 6. Bank of Maharashtra; 7. Barclays Bank PLC; 8. BNP Paribas; 9. Canara Bank; 10. Catholic Syrian Bank Limited; 11. Central Bank of India; 12. CITI Bank NA; 13. City Union Bank Ltd.; 14. DBS Bank Ltd.; 15. Deutsche Bank; 16. Dhanlaxmi Bank Limited; 17. Equitas Small Finance Bank; 18. GP Parsik Sahakari Bank Limited; 19. HDFC Bank Ltd.; 20. HSBC Ltd.; 21. ICICI Bank Ltd; 22. IDBI Bank Ltd.; 23. IDFC FIRST Bank; 24. Indian Bank; 25. Indian Overseas Bank; 26. IndusInd Bank; 27. J P Morgan Chase Bank, N.A.; 28. Janata Sahakari Bank Ltd.; 29. Karnataka Bank Ltd.; 30. Karur Vysya Bank Ltd.; 31. Kotak Mahindra Bank Ltd. 32. Mehsana Urban Co-operative Bank Limited; 33. Nutan Nagarik Sahakari Bank Ltd.; 34. Punjab & Sind Bank; 35. Punjab National Bank; 36. Rajkot Nagarik Sahakari Bank Ltd; 37. RBL Bank Limited; 38. South Indian Bank; 39. Standard Chartered Bank; 40. State Bank of India; 41. SVC Co-operative Bank Ltd.; 42. Tamilnad Mercantile Bank Ltd; 43. The Ahmedabad Mercantile Co-Op. Bank Ltd.; 44. The Federal Bank; 45. The Jammu & Kashmir Bank Limited; 46. The Kalapur Commercial Co-operative Bank Ltd.; 47. The Saraswat Co-Operative Bank Ltd; 48. The Surat Peoples Co-op Bank Ltd; 49. TJSB Sahakari Bank Ltd; 50. UCO Bank; 51. Union Bank of India; 52. Utkarsh Small Finance Bank Limited. and 53. YES Bank Ltd.




In accordance with the SEBI ICDR Regulations, SEBI Master Circular, our Company will at least three days before the Issue Opening Date, dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- our Company at www.vpl.in
- the Registrar at www.alankit.com
- the Lead Manager at www.arihantcapital.com; and
- the Stock Exchanges at www.bseindia.com and www.nseindia.com

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: <https://rights.alankit.com>
- Updation of email address/ mobile number in the records maintained by the Registrar or our Company <https://rights.alankit.com>
- Updation of Indian address can be sent to Registrar at email id vprrights@alankit.com or by way of Registered post/Courier at Alankit Assignments Limited, 4E/2 Jhandewalan Extension New Delhi -110055, India.
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.alankit.com>
- Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders at <https://rights.alankit.com>

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process. The Eligible Equity Shareholders, who hold Equity Shares in physical form as on the Record Date i.e. **Wednesday, August 28, 2024** requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. **September 24, 2024** in order to be eligible to apply for this Issue, after which they can apply in this Issue through ASBA mode only.

COMPANY DETAILS	REGISTRAR TO THE ISSUE	LEAD MANAGER TO THE ISSUE
		
<p>VARDHMAN POLYTEX LTD. Vardhman Park Chandigarh Road, Ludhiana – 141123 Punjab, India; Telephone: +91 – 161 - 6629888; E-mail: info@vpl.in; Website: www.vpl.in;</p> <p>Contact Person: Mr. Ajay K. Ratra, Company Secretary and Compliance Officer</p>	<p>ALANKIT ASSIGNMENTS LIMITED 4E/2 Jhandewalan Extension New Delhi -110055, India. Telephone: 011-42541966 E-mail: vprrights@alankit.com SEBI Registration Number: INR000002532 Website: www.alankit.com Contact Person: Jagdeep Kumar Singla</p>	<p>ARIHANT CAPITAL MARKETS LIMITED 1011, Building, No 10, Solitaire Corporate Park, Guru Hargovind Ji Road, Chakala Andheri, Mumbai- 400093, Maharashtra, India Telephone: +91 22 42254800 E-mail: mbd@arihantcapital.com Investor grievance: mbd@arihantcapital.com Website: www.arihantcapital.com Contact Person: Mr. Amol Kshirsagar / Mr. Satish Kumar P</p>