CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601048, 2222616, 2601040
E: secretarial.lud@vardhman.com

Ref. VSSL:SCY:AUG:2024-25 **Dated: 28-Aug-2024**

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. **Scrip Code: 534392**	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 **Scrip Code: VSSL**

Dear Sir,

SUB: ANNUAL REPORT (F.Y. 2023-24) OF THE COMPANY, NOTICE CONVENING 14TH ANNUAL GENERAL MEETING, BOOK CLOSURE DATES & E-VOTING INFORMATION

Pursuant to applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 14th Annual General Meeting ('AGM') of the Members of the Company will be held on Thursday, 19th September, 2024 at 10:00 a.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI').

The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 7th September, 2024 to Saturday, 14th September, 2024 (both days inclusive) for the purpose of AGM and dividend. The dividend, if declared at the AGM, will be paid electronically within a week from the conclusion of AGM.

Further, the Company has fixed Thursday, 12th September, 2024 as the cut-off date to ascertain the eligibility of Members entitled to cast their vote electronically on all the resolutions to be passed at the AGM. The Company has engaged the services of Central Depository Services (India) Limited ('CDSL') to provide the e-Voting facility. The remote e-Voting schedule is as under:

Commencement of remote e-Voting	September 16, 2024 (09:00 am onwards)
End of remote e-Voting	September 18, 2024 (upto 05:00 pm)

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report (F.Y. 2023-24) alongwith the Notice convening the 14th AGM of the Company. The said documents are also available on the website of the Company at www.vardhman.com.

Vardhman

Vardhman

Delivering Excellence. Since 1965.

VARDHMAN SPECIAL STEELS LIMITED

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F: +91-161-2601048, 2222616, 2601040
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Kindly note and display the notice on your notice board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,

For VARDHMAN SPECIAL STEELS LIMITED

SONAM
DHINGR
A

Digitally signed by SONAM DHINGRA
DN: c=IN, postalCode=141012, st=PUNJAB,
street=HOUSE NO. 121-B ,LUDHIANA,141012,
l=LUDHIANA, o=Personal,
serialNumber=b09c707fc4f741fb18f54bfbc84b1ffe97be24b137d8dbbb3f7f1edb86e95c74,
pseudonym=a7ca790b23d74dc6becad3a90c08d077,
2.5.4.20=53ace98660da7d7f91b5dbf8bb23eabcfe0c921575933b925e673687fb584ff1,
email=SONAMTANEJA32@GMAIL.COM,
cn=SONAM DHINGRA
Date: 2024.08.28 16:40:27 +05'30'

(SONAM DHINGRA)
Company Secretary


Vardhmān
Vardhmān
Delivering Excellence. Since 1965
READY FOR
TAKE OFF
VARDHMAN SPECIAL STEELS LIMITED
ANNUAL REPORT 2023-24

CONTENTS

WE HAVE WHAT IT TAKES TO SOAR

A strong foundation.

An understanding of the market.

A clear roadmap to our goals.

A solid technical partner handholding us through our journey.

An operating model that is flexible and scalable to client requirements.

An energetic and experienced team to execute the plan and adapt to challenges.

And the intent, ideas and initiatives to ignite our flight into a new orbit.

At Vardhman, we are Ready for TAKE OFF.

WE ARE READY FOR TAKE-OFF BECAUSE...

...OUR PRODUCTS HAVE RECEIVED THE STAMP OF APPROVAL

"**We have to get it right**" was the slogan that reverberated in the hearts and minds of every team and every individual at Vardhman. We had toiled hard each day for half a decade, individually and collectively, to elevate our steel to match Japanese benchmarks.

IN FY23, WE MADE A GOOD BEGINNING.

We received approvals for 14 variants and shipped 1,000 tonnes of special steel to the Aichi Forge facility in Thailand.

IN FY24, WE HAVE MOVED A FEW STEPS HIGHER.

We received approvals for 8 additional variants and shipped about 6,000 tonnes of special steel to the Aichi Forge.

WE WIDENED OUR GLOBAL HORIZON.

The EU's Carbon Border Adjustment Mechanism (CBAM), set to go into force in 2026, will impose import charges on products such as steel, cement, and electricity based on the carbon dioxide emissions embedded in their production. As a result, European nations and corporations are seeking to partner companies with low-carbon emissions in their manufacturing operations.

Owing to our steadfast focus on environmental management, we have made some headway. A leading global automotive OE has audited our plant successfully and approved some steel variants. We have supplied a very small quantity for sampling. This could herald interesting avenues and promising opportunities over the coming years. Moreover, the OE has also recommended Vardhman to its Tier I and II suppliers.

WE ARE WORKING TO MAKE INDIA ATMANIRBHAR.

We received approvals for a large Indian OE for steel used in a moving part that was earlier imported. We believe that this success could open new windows of opportunity.

While these approvals make our journey exciting, more approvals of products currently in the pipeline will infuse new energy to sustain our progress over the medium term.

8

Steel variants approved by Toyota in FY24

AT THE FOREFRONT

With support of Aichi, Vardhman's R&D team has developed capability to produce critical application steel, which will help us to stay at the forefront of technological advancement.

WE ARE READY FOR TAKE-OFF BECAUSE...

...WE HAVE REDUCED OUR CARBON FOOTPRINT

'Reducing carbon footprint' is the overarching theme across the globe. For consumers and manufacturers alike. A theme that is critical for the global steel sector, one of the largest carbon emitters.

Steel consumers are scouting for green steel to reduce their carbon footprints. However, the options are limited as steel manufacturers will need time and resources for transition to green steel manufacturing.

Vardhman is among the few steel manufacturers with low carbon intensity.

By adopting the Electric Arc Furnace (EAF) route for steel making since its inception, we have embedded environment management as our operating platform. With the support of our global partners, we further elevated our commitment to decarbonising the planet.

1. We invested in a contemporary fume extraction solution, which allowed us to achieve air pollution levels below the regulatory mandate.
2. We optimised our processes to reduce freshwater and electricity consumption even as production increased.
3. We replaced furnace oil with Natural Gas (supplied through trucks) two years ago. In FY24, GAIL has laid a dedicated pipeline up to our manufacturing facility. It eliminated the need for trucks.

When we assessed our carbon footprint, we received an encouraging response – we are at 0.73 tonnes of CO_2 per tonne of steel (Scope 1 & 2) against about 3 tonnes of CO_2 per tonne of steel for steel manufacturers using the blast furnace route.

Enthused with the assessment, we are going a few steps further. We have contracted for setting up a 55 MW Solar Power Plant, which will, further optimize our carbon footprint to about 0.45 tonnes of CO_2 per tonne of steel.

GREENING THE EARTH

We created a Miyawaki plantation over a five-acre plot in May 2022, which has become a dense forest today. We are extending this effort across 15-20 acres of land at multiple sites.

0.73

tonnes of CO^2
per tonne of steel

WE ARE READY FOR TAKE-OFF BECAUSE...

...WE CONTINUE TO UP OUR CAPACITIES TO CATER TO THE PROMISING PROSPECTS

'Making every rupee sweat' has been the ultimate aim of every member of Vardhman. For we have seen days when we remained parched of liquidity. And have pledged never to get remotely close to that ever again.

We have instilled the belief that there is always room for improvement, which, over the years, has transformed into an organisational culture. It is reflected in an important reality.

We have increased our operating capacity (billet making) from 50,000 TPA in 2010 to 260,000 TPA in FY24 largely through process improvements and an investment of over ₹150 crore, which is a fraction of what we would have otherwise invested for a brownfield expansion of the same size. Our team has accepted the target of generating another 25,000 tonnes of billets by FY27 with our existing infrastructure.

True to our ethos of maximising returns from resources invested, we plan to increase the capacity of our rolling mill to align with our billet manufacturing capability. We have finalised an investment in Kocks Block and a new Reheating furnace that will increase the capacity of the Rolling Mill to 285,000 tonnes (currently 200,000).

While we realise that these incremental additions will suffice only for a couple of years, we are mindful that as global opportunities materialise over the coming years, we will need a larger and more technology-efficient plant to cater to their demanding specifications and stringent tolerances. We have begun the search for a greenfield facility.

READY. SET. FORWARD....

Incorporated in 2010, Vardhman Special Steel Limited is one of India's leading special steel producers, developing high-quality special steel for automotive OEs operating in India.

Part of the Vardhman Group, the Company is based at Ludhiana, India, with its manufacturing facility proximate to its headquarters.

The Company enjoys a technical alliance with Aichi Steel Corporation, a Japanese major steel, Toyota's leading material producer group. Together with Aichi Steel, Vardhman is steadily progressing into a globally respected special steel major.

The spirited team of professionals, led by Mr. Sachit Jain at the helm, bring to the table, discipline and determination to improve operational efficiency across the organisation.

The Company's equity is listed on the BSE Limited and the National Stock Exchange of India Limited.

QUALITY CERTIFICATIONS

ISO 14001:2024

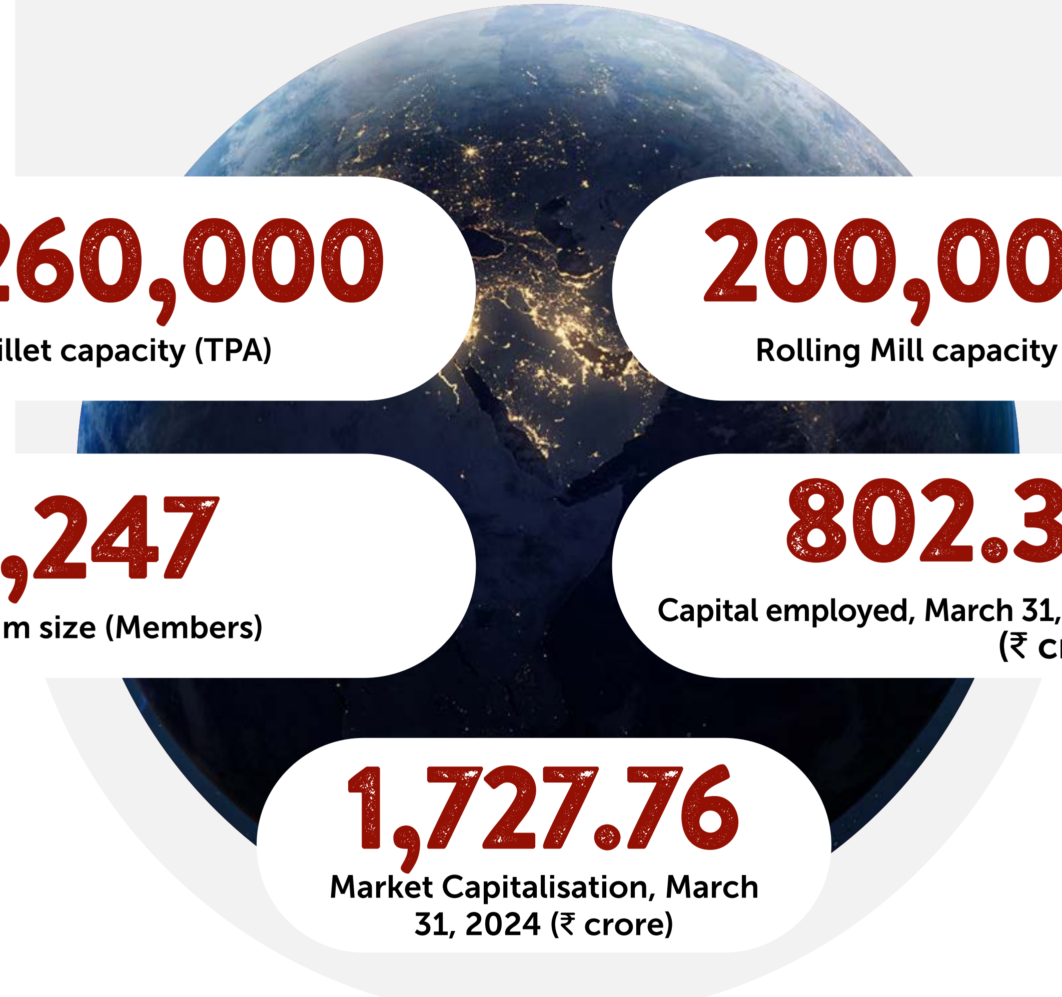
ISO 45001:2024

ISO 9001:2015

IATF 16949:2016

ISO 17025:2023

NUMBERS THAT DEFINE US



260,000
Billet capacity (TPA)

200,000
Rolling Mill capacity (TPA)

1,247
Team size (Members)

802.30
Capital employed, March 31, 2024 (₹ crore)

1,727.76
Market Capitalisation, March 31, 2024 (₹ crore)

KEY PERFORMANCE INDICATORS

REVENUE FROM OPERATIONS (₹ Crore)

FY21	937.08
FY22	1,368.46
FY23	1,734.99
FY24	1,661.36

EBITDA (₹ Crore)

FY21	116.31
FY22	202.58
FY23	180.08
FY24	172.26

NET PROFIT (₹ Crore)

FY21	44.19
FY22	100.75
FY23	100.45
FY24	91.63

EARNINGS PER SHARE (₹)

FY21	5.47
FY22	12.44
FY23	12.35
FY24	11.26

NET CASH FLOW FROM OPERATIONS (₹ Crore)

FY21	67.28
FY22	58.88
FY23	73.58
FY24	142.41

NETWORTH (₹ Crore)

FY21	459.36
FY22	554.96
FY23	642.21
FY24	719.35

NET DEBT-EQUITY (X)

FY21	0.30
FY22	0.23
FY23	0.19
FY24	0.12

FROM VICE CHAIRMAN'S DESK 2024

Dear fellow shareholders,

It gives me great pleasure to be here once again writing my annual letter to all of you. As shared earlier, this was a year of consolidation. After a couple of tumultuous years with a lot of uncertainty, with Covid, Covid Delta variant, the Russia-Ukraine war and the excitement of starting mass manufacture of steel for Toyota Motors, this was a relatively quiet year though the Israel-Hamas war did add some tensions on the global front. This was a year where we focused on operations, as smooth running of Toyota orders was critical to us. The reduction of our internal rejections was a huge task and it was imperative to have very strong quality assurance to make sure that we got no quality complaints from them. There was also a slowdown in the domestic market in the tractor and commercial vehicle segments and we had 2 shutdowns in our rolling mill for routine maintenance and installation of 2 stands for expanding the capacity, respectively. As a result, we lost some sales and our sales were 195,000 tons and EBITDA was ₹172 Cr right in the middle of our guidance of EBITDA/ton of 7000-10000. Let me take you through some of the major events of last year, our year of consolidation.

THE YEAR OF CONSOLIDATION

It is always difficult for a Management team to announce to the capital markets a year of no growth. Ours is a growth oriented company which has grown rapidly from ₹250 Cr in sales in 2010 till last year and in addition India is growing and here at VSSL, we had decided to stay in the same place. Let me share with you what all we have achieved in this period. As stated earlier, we managed to allay the concerns of the Aichi team that we could manage the production lines for Toyota in South East Asia without any disruptions and without any major headache. Our internal rejection levels for Toyota material came down which has been a very satisfying achievement of last year. We also found ways to improve our operations in other areas which have improved our consistency and our productivity. This led to our hitting a record production of 22,000 tons of billets in January which corresponds to hitting our announced annual capacity of 260,000 tons. Further, our team has now taken a stretch target to increase our billet production level to 285,000 tons which will enable saleable production capacity of 250,000 tons in the next two years so in the year 2026-27. This means we can see a growth pathway to 250,000 tons of sales in 2027-28. In addition, I am happy to share that we are upping our guidance to ₹8000-11000 as EBITDA/Ton from the year 2025-26 and we can see the possibility of this figure going up to ₹9000-12000 from the year 2027-28 onwards. We have also finalized and negotiated our Kocks Block and new Reheating furnace which will increase the capacity of the Rolling Mill to 285,000 tons of input by September of 2025. Altogether, not too bad for a year of consolidation!

THE BIG TREND GATHERING MOMENTUM

In my annual letter of last year, I had for the first time written about sustainability and carbon footprint. In this year, these topics have taken on a far bigger momentum and a lot of customers especially, European OEs, have started talking about this. One more important topic has got added to this list and that is the concept of Circular Economy. This is an initiative in which scrap from an OE goes back to a steel company to be made into steel for components for that OE. This is a topic that even Government of India is pushing as policy. At this point it is only in discussion stage but this is likely to come through as policy. Green Steel is becoming the buzzword and there is going to be massive shortage of this in the country. The exact definition of Green Steel has still not been finalized but it means low carbon footprint which necessitates the usage of scrap in steel making and renewable power as the source of power. As you are aware, we already are making steel from the scrap route and we are in the process of implementing a solar project of 55 MW after which about 40% of our power will be renewable power. Some global Tier 1 companies have already announced their intention of shifting to Green Steel. Our carbon footprint now stands at 0.73 and is likely to fall to around 0.45 after the implementation of our solar project. I am very excited about this megatrend and your company is well poised to take full advantage of this.

RELATIONSHIP WITH AICHI

We are now half way through our 2nd Technical agreement with Aichi and I had made a trip to Japan in April to meet with Fujioka san, Chairman and Goto san, the President. This was my 3rd meeting with Goto san and the 2nd after he took over as President. He seems very excited about the opportunity in India and our relationship together. We also discussed that it is time to start studying and planning to set up a new steel plant in India. Together, we are also working on making deeper inroads into Maruti's requirements in India as they plan to double their capacity in the next 7 years. Last year in September, I had an opportunity to play in a golf tournament organized by Aichi in Nagoya Japan and I will be going this year too in September. It is through participation in these kinds of activities that one becomes closer to each other. Hopefully, Goto san will be visiting India in the later part of this financial year. Thanks to Aichi's efforts, today VSSL is a well known name amongst Japanese OEs and so I can safely report that our relationship is becoming stronger by the year.

FUTURE OUTLOOK

This year again, we have a couple of shutdowns slated for the setting up of our Kocks block but we are prepared in advance for those and we hope to sell around 210,000 tons. We hope to have worked on our costs too so that we can achieve our desired profitability. We also hope to have started business with a couple of European OEs and tier 1s. The sales could be domestic sales to their Indian operations for export of components to them or it could also take the shape of direct steel exports. And lastly, to further the cause of Green steel, our solar plant should be up and running. Another big initiative that will be undertaken this year would be finalizing plans for a greenfield special steel plant and the last initiative will be the start of study to examine, whether we should enter the forging sector or not in partnership with Aichi Steel Corporation's forging division. All in all, I would say exciting times lie ahead.

PERSONAL FRONT

This has been a fabulous year on the personal front. Our elder daughter Soumya who is an ED in the Company gave birth to a boy, Suveer. This means I have been promoted to becoming a grandpa. I am looking forward to see him grow up and watch him speak his first words, watch him learn to crawl and then take baby steps as he learns to walk. This is a glorious feeling and I am enjoying the brief times spent with him. My trekking and other fitness routine continues on a regular basis. We went to Nepal on the Mardi Himal trek in March. The next one is Kashmir Great Lakes Trek in August which is considered to be one of the most beautiful treks in the country. The adventure of life continues, the process of dreams is stronger than ever and I look forward to the future with a lot of positivity. Come join us in our journey together.

READY FOR TAKEOFF

This was the title of my book on leadership which I wrote in 2009 and which got published in 2010. By chance though the book was complete fiction, it was about turning around a sick special steel company. In real life I have done what I wrote in the book to turn around VSSL and then we have done much more including partnering with Aichi Steel. I think now with the approval of Toyota and with the consolidation of operations and with the completion of the current and enhanced capex plan the stage has been set. Further, with the planning started for the greenfield plant and added to that the global trend towards Green Steel the platform is ready within the organization. On the outside front, with the NDA having secured a majority for a third time and with a strong government in place, we are poised to see a remarkable surge in confidence leading to optimism and a sustained growth. We now are indeed truly Ready For Takeoff.

Cheers

Sachit Jain

Vice Chairman and a fellow shareholder

ENVIRONMENT SOCIAL GOVERNANCE

Sustainability ranks high on our priority list, and we have crafted our ESG roadmap to align with the principles of sustainable growth, which include taking care of stakeholder interests, boosting community upliftment efforts and negating any long-term impact on the environment. In short, our sustainability roadmap hinges on three pillars: Environmental Performance, Social Responsibility and Responsible Governance.

ENVIRONMENT

As a responsible manufacturer of special steel, we hold environmental sustainability as the fundamental pillar of our social responsibility. To meet the highest standards of sustainability, we endeavour to take a range of measures that reflect our commitment to this important cause. We are fully dedicated to exploring various methods of reducing our carbon footprint. We firmly believe in adopting renewable technologies and nurturing eco-conscious practices to protect our planet and create a sustainable legacy for future generations.

Operating infrastructure: Our steel-making route, the Electric Arc Furnace route, is an environment-friendly route with a considerably low carbon footprint as it leverages the recycling principle of the 3R concept. This strategic initiative has reduced our carbon footprint per tonne of output by more than one-fourth compared to peers using the blast furnace route.

Energy optimisation: Reducing energy consumption is critical for reducing our carbon footprint. We have put in considerable effort in this direction. Process changes, batch-size increases and investment in contemporary equipment have helped reduce energy consumption.

Renewable Energy: Mindful that renewable energy is the way forward, we have contracted for setting up a 55 MW Solar Power Plant, which should generate sufficient power to meet nearly 40% of our energy requirement.

Furnace Oil : We have completely switched from furnace oil to Piped Natural Gas in all areas of our steel-making process.

Water optimisation: We have put considerable effort into reducing our freshwater consumption through process improvement and the recycling of processed water. Our efforts have yielded heartening results. Even as production increased by 19.3% between FY22 and FY24, our water requirement has reduced by 16% over the same period.

Green cover: In two years, we used the Miyawaki concept to cover 5 acres of land into thick, dense green cover. Encouraged by the outcome, we have got about 15-20 acres of land in different locations to expand the green cover.

Supply chain: We had contracted with GAIL for laying a dedicated pipeline that transports Natural Gas directly to our operating unit. This has obviated the need for trucks to transport the natural gas to our facility, reducing our Scope 3 emissions.

SOCIAL

Corporate social responsibility has always been one of the focal points of our operating principles. We believe that giving back to society creates a transformative cycle of positive change. It gives us a deep sense of purpose. It strengthens our bonds with our fellow human beings. Giving back is not about donating; it's about making a difference.

We have been working closely with communities around our operations and have been undertaking initiatives to create opportunities so that these people, especially the marginalised among them, have a chance to improve their lives. We have a robust project selection process, which is reviewed by the Internal CSR team, which places the shortlisted projects alongside the budget before the CSR Committee for its approval. These initiatives seek to better the environment, support women empowerment, expand educational opportunities, advance healthcare and encourage sports.

Women Empowerment

Project Nari Shakti: The Project Nari Shakti focuses on supporting women empowerment by assisting those needing financial independence. It also advocates for the education of girl children and promotes Hunar Vikas Kendra, which provides training in skills like stitching and identification. Additionally, the project supports young women entrepreneurs from rural areas. VSSL runs three skill development centres in the Ludhiana District, offering training to approximately 150 women at each location.

Education

Project Disha: Under this project, VSSL strives to promote education for all, with a special focus on supporting girls and children from below-poverty line slum areas. The initiative includes enhancing the infrastructure of schools in these communities, supporting various government schools and establishing facilities for modern e-learning.

Healthcare

Project Swasth Samaj: Under Project Swath Samaj, VSSL is dedicated in assisting as many individuals with disabilities as possible to help them return to their routine lives and achieve independence. The project also aims to raise healthcare awareness, organise medical camps in rural areas, provide free sanitary napkins and install sanitary napkin vending machines in various government schools.

- VSSL partnered with Bharat Vikas Parishad to support individuals with disabilities. Till date, 2,300 people have been provided with artificial limbs all over Punjab.
- Ten sanitary napkin vending machines and incinerators have been installed in various government schools and colleges, along with RO systems for clean drinking water.
- Fogging activity is carried out in slum areas of the focal point adjoining VSSL within a radius of 1 km.

Sports

Project Khel Protsahan: VSSL supported Paralympic Karate Champion Tarun Sharma, who won 15 gold medals and bronze medals at various international competitions.

GOVERNANCE

Our commitment to the highest standards of corporate governance has been an integral enabler in fostering sustainable value creation over the years. Our Values and the Vardhman Group ethos form the bedrock of our Corporate Governance architecture.

At VSSL, we are ardent about upholding the principles of transparency, accountability, safety and sustainability. These principles extend to fostering openness, mutual respect, continuous learning and a high degree of integrity. The Corporate Governance framework, the Enterprise Risk and Management framework aid fiscal responsibility, ethical conduct and fairness towards all Stakeholders.

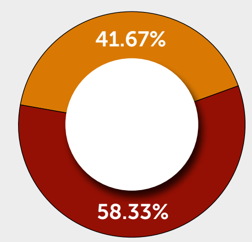
At the helm of our governance structure is the board of directors, which is comprised of accomplished professionals from diverse domains aligned with our Company's growth vision. Various Board Committees, led by Independent Directors, oversee critical aspects of our business. This cohesive approach enables the governance architecture to integrate collective leadership seamlessly.

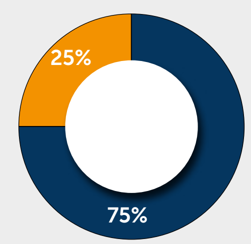
The Board spearheads and oversees the Governance framework to uphold the core values required for good governance and transparency.

Total Board Size **12**

OUR BOARD COMPOSITION

- Non-Independent Directors - 7
- Independent Directors- 5



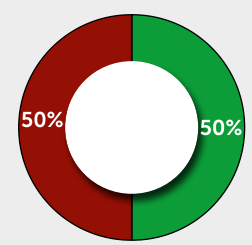


GENDER DIVERSITY

- Male - 9
- Female - 3

TENURE ON BOARD

- More than 5 years - 6
- Upto 5 years - 6



OUR BOARD OF DIRECTORS

MR. RAJEEV GUPTA
Chairman & Non-Executive Non-Independent Director

With a distinguished educational background, including a B. Tech from BHU/IIT Varanasi and an MBA from IIM Ahmedabad, he brings over 41 years of extensive experience to the table. His career has established him as one of the country's leading investment bankers.

MR. SACHIT JAIN
Vice-Chairman & Managing Director

With a B. Tech in Electrical Engineering from IIT New Delhi, an MBA (Gold Medalist) from IIM Ahmedabad, and an Owner/President Management Program credential from Harvard, he brings over 34 years of experience in the textile and steel industries. He is the former Chairman of the CII Northern Region and is currently serving as the Chairman of the CII National Committee on Industrial Relations.

MR. RAJENDAR KUMAR REWARI
Executive Director

With a B.Sc. from Punjabi University, Patiala, along with an LLB and a Postgraduate Diploma from Kurukshetra University, he has over 41 years of experience in the manufacturing sector. His career includes more than a decade as Managing Director of Morarjee Textiles Limited and a track record with the Vardhman Group, where he has held various key positions.

MRS. SOUMYA JAIN
Executive Director

With a B.Sc. in Economics from the University of Bristol, UK, and an MBA in Family Business from the Indian School of Business, she has accumulated five years of experience at Vardhman Textiles, where she worked across diverse areas such as production, marketing, exports, HR, R&D, and capital investments. She joined Vardhman Steel in 2021, contributing to various departments within the company.

MRS. SUCHITA JAIN
Non-Executive Director

With a Master's degree in Commerce from Panjab University, Chandigarh, she has over 31 years of extensive experience in the textile industry. Throughout her career, she has served as a representative of the Vardhman Group, leveraging her deep industry knowledge and expertise.

MR. RAJINDER KUMAR JAIN
Non-Executive Director

As a Chartered Mechanical Engineer from the Institute of Mechanical Engineers in London, he retired after 35 years of distinguished service with Indian Railways where he held the position of General Manager.

MR. TOSHIO ITO
Non-Executive Director

Graduated with a degree in Mechanical Engineering from Nagoya University, Japan, he has been serving as Managing Executive Officer at Aichi Steel Corporation since 2020. His extensive experience includes roles as Plant Manager overseeing steelmaking, rolling mill, and forging plants at Aichi Steel.

MR. SANJOY BHATTACHARYYA
Independent Director

With a B.Sc in Statistics (Honours) and an MBA from IIM Ahmedabad, he possesses extensive experience in equities and investment management. His expertise has established him as one of the foremost stock market gurus in the field.

MR. RAKESH JAIN
Independent Director

With a Ph.D. in Polymers from the University of Akron, he has held prominent roles in the field of advanced technology. His experience includes working with the Advanced Technology Group at GE's Electro-Materials Division in Coshocton, OH, USA, as well as serving as Managing Director of Indo Gulf Fertilizers Ltd. at the Aditya Birla Group (ABG).

MR. SUMAN CHATTERJEE
Independent Director

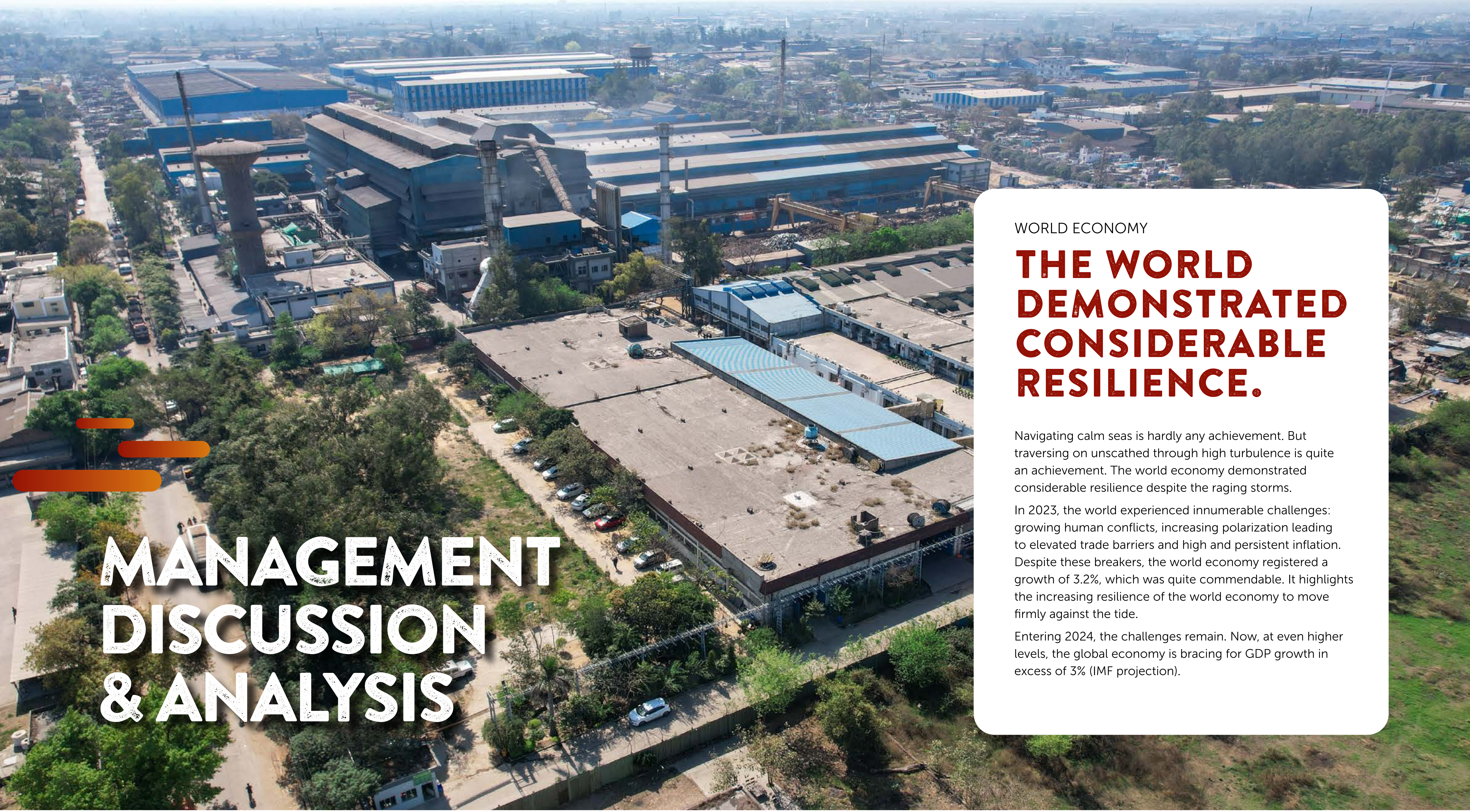
With a B.Sc. in Economics from Presidency College, Kolkata, and a postgraduate diploma in Business Management from IIM, Ahmedabad, he brings over 30 years of experience in various leadership roles. His extensive career includes significant positions in sales and marketing during which he has successfully led businesses for Levi Strauss and SC Johnson in India.

MRS. VIDYA SHAH
Independent Director

With an MBA from IIM, Ahmedabad, she has built an impressive 11-year career in investment banking with roles at ICICI, Peregrine, and NM Rothschild. She currently serves as a Non-Executive Director at Edelweiss Financial Services Ltd. and as the Executive Chairperson of the EdelGive Foundation. In 2019, she was recognized as one of India's Top 100 Women in Finance by the Association of International Wealth Management of India (AIWMI).

MR. HEMANT BHARAT RAM
Additional Director (Independent)

Holding a Master's degree in Industrial Administration (MBA) and a Bachelor's degree in Mathematics and Computer Science, both from Carnegie Mellon University in Pittsburgh, PA, USA, he began his career in 1991 with DCM Data Systems. Over the years, he has managed various businesses within the DCM Group. Since 2019, he has served as Managing Director of DCM Nouvelle Limited, and before that, he led the Textile Business of DCM Limited for over nine years.



MANAGEMENT DISCUSSION & ANALYSIS

WORLD ECONOMY

THE WORLD DEMONSTRATED CONSIDERABLE RESILIENCE.

Navigating calm seas is hardly any achievement. But traversing on unscathed through high turbulence is quite an achievement. The world economy demonstrated considerable resilience despite the raging storms.

In 2023, the world experienced innumerable challenges: growing human conflicts, increasing polarization leading to elevated trade barriers and high and persistent inflation. Despite these breakers, the world economy registered a growth of 3.2%, which was quite commendable. It highlights the increasing resilience of the world economy to move firmly against the tide.

Entering 2024, the challenges remain. Now, at even higher levels, the global economy is bracing for GDP growth in excess of 3% (IMF projection).

INDIAN ECONOMY

OUR NATION STOOD OUT FOR SUSTAINING ITS ECONOMIC RESURGENCE.

India sustained its economic resurgence fueled by strong domestic consumption and increased Government-funded capital investment.

A healthy industrial sector performance supported by the agriculture and services sectors helped India report GDP growth closer to 8% in FY24 —the highest growth by the domestic economy in the post-COVID era.

The economic growth outlook for FY25 appears positive despite headwinds such as hardening crude oil prices and global supply chain bottlenecks. According to the April 2024 estimates of the Reserve Bank of India, the GDP for FY25 is set to grow at 7%.

Foreign Direct Investment (FDI) inflows stood at US$596 billion for 2014-23, twice the figure of the previous decade (2005-2014), supported by bilateral investment treaties.

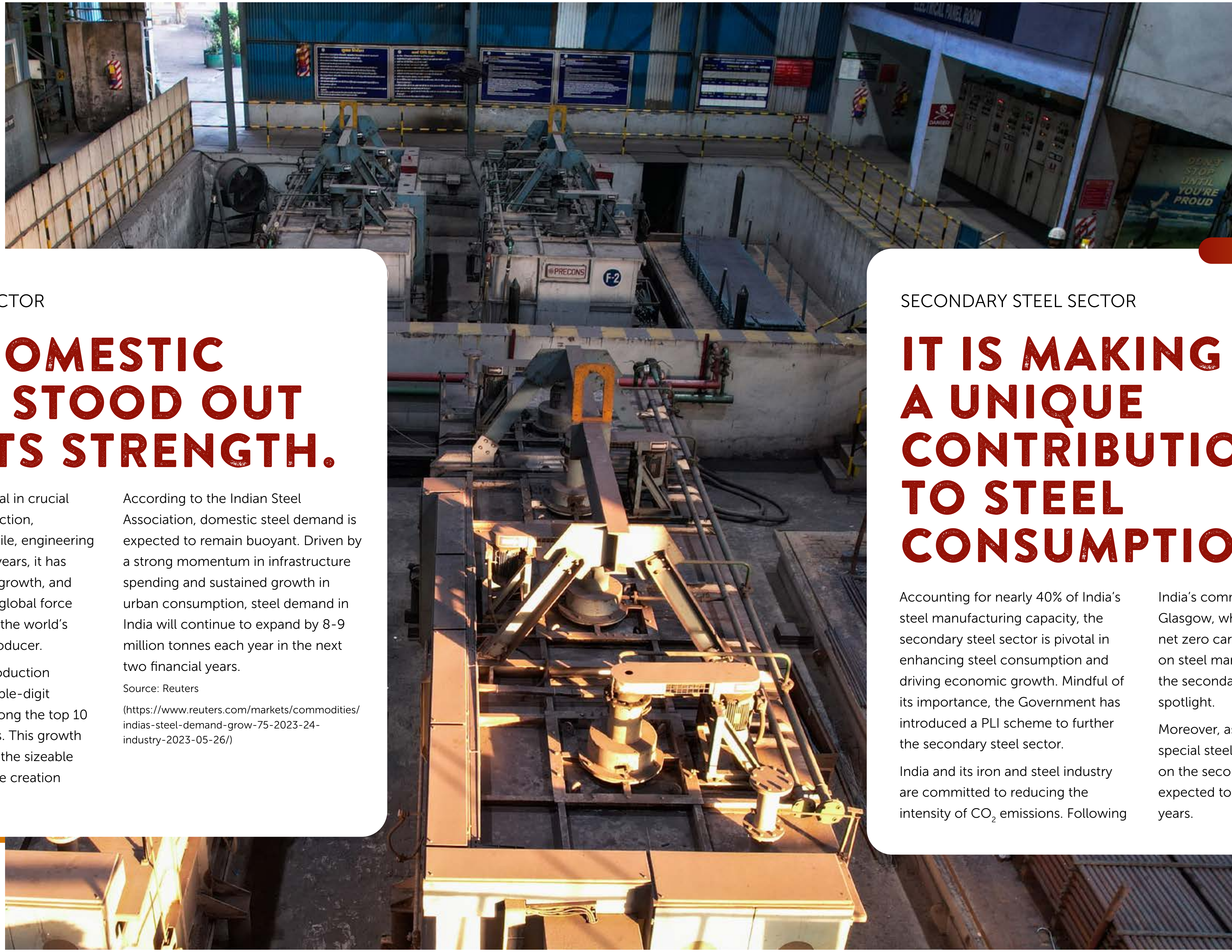
GLOBAL STEEL SECTOR

THE WORLD STEEL TOOK A BREATHER.

Steel is a proxy for economic activity. With the global economy grappling with multifaceted challenges, steel demand and production remained subdued. Ex-China steel production dipped marginally, which was on the expected line. A surge in steel exports from China dampened the global steel landscape as prices dipped.

The global steel sector is slowly yet steadily undergoing a shift in the steel-manufacturing route in favour of Electric arc furnaces to decarbonise steel manufacturing. This trend is expected to continue for the next decade.

Steel is expected to see better times. The World Steel Economics Committee mentions that it sees early signs of global steel demand settling in a growth trajectory in 2024 and 2025 after two years of negative growth and severe market volatility since the COVID crisis in 2020.



INDIAN STEEL SECTOR

THE DOMESTIC STEEL STOOD OUT FOR ITS STRENGTH.

The steel sector is pivotal in crucial sectors such as construction, infrastructure, automobile, engineering and defence. Over the years, it has witnessed tremendous growth, and India has emerged as a global force in steel production and the world's second-largest steel producer.

In 2023, Indian steel production recorded a healthy double-digit growth, the highest among the top 10 steel-producing nations. This growth was expected owing to the sizeable increase in infrastructure creation across the nation.

According to the Indian Steel Association, domestic steel demand is expected to remain buoyant. Driven by a strong momentum in infrastructure spending and sustained growth in urban consumption, steel demand in India will continue to expand by 8-9 million tonnes each year in the next two financial years.

Source: Reuters

(https://www.reuters.com/markets/commodities/indias-steel-demand-grow-75-2023-24-industry-2023-05-26/)

SECONDARY STEEL SECTOR

IT IS MAKING A UNIQUE CONTRIBUTION TO STEEL CONSUMPTION.

Accounting for nearly 40% of India's steel manufacturing capacity, the secondary steel sector is pivotal in enhancing steel consumption and driving economic growth. Mindful of its importance, the Government has introduced a PLI scheme to further the secondary steel sector.

India and its iron and steel industry are committed to reducing the intensity of CO_2 emissions. Following India's commitment to COP26 in Glasgow, which aims to achieve net zero carbon by 2070, the focus on steel manufacturing through the secondary route is gaining the spotlight.

Moreover, as India's demand for special steel increases, the emphasis on the secondary steel sector is expected to intensify over the coming years.

AUTOMOTIVE MARKET

IT IS ON A ROLL

The Indian automobile industry has posted a satisfactory performance, aided by encouraging economic growth based on the Government's conducive policies.

The Indian automobile industry posted a satisfactory performance, with the domestic industry growing by 12.5% during the last financial year (FY24) to 2,38,53,463 units, compared with 2,12,04,846 in the previous year.

In the passenger vehicle (PV) segment, the sales were led by the utility vehicle (UV) segment, which grew by around 26% to 25,20,691 units during the last financial year, compared with 20,03,718 units in FY23. The total two-wheeler wholesales also grew by more than 13% to 1,79,74,365 units in FY24 in the domestic market, compared with 1,58,62,771 units in the previous year.

The industry looks forward to FY25 with optimism. It will focus on new product launches, especially in EVs, and leverage economic growth, favourable government policies, and an expected good monsoon to fuel demand.

Government initiatives supporting growth

The Indian automobile industry has been supported by several government policies and initiatives in FY24, which have contributed to its growth. Some of the key policies and initiatives include:

Net Zero Carbon: The Government has announced an outlay of ₹ 35,000 crore for energy transition, focusing on achieving the country's net zero carbon target. This includes initiatives for electric vehicles, hydrogen fuel, and green mobility.

Energising Electric Vehicles: A customs duty reduction from 21% to 13% on lithium-ion cells and the extension of subsidies on electric vehicles have been announced. The allocation for the FAME-2 scheme has been doubled for FY24, supporting the adoption of electric vehicles.

PLI Schemes: The Government has announced PLI Schemes for Automobiles, Auto Components, Advanced Chemistry Cells (ACC), and other sectors, aiming to boost manufacturing and exports.

BUSINESS OPERATIONS

WE MOVED A FEW STEPS FORWARD IN OUR BUSINESS EXCELLENCE JOURNEY.

Q. HOW WAS THE COMPANY'S PERFORMANCE IN FY24?

A. Our production numbers were largely at the previous year's levels. But our operational efficiency scaled a couple of steps higher.

Q. COULD YOU EXPLAIN THIS DIVERGENCE?

A. We will deliberate on our production number first. Having grown for over a decade, this year was an essential pause. A year of consolidation. We took two shutdowns at our rolling mill – for maintenance and capacity expansion.

While the production of billets increased marginally, the output of rolled products dropped. This resulted in a drop in the overall sales volumes. But that was a strategic call which needed to be taken.

Q. COULD YOU TAKE US THROUGH THE EFFICIENCY JOURNEY?

A. We made considerable headway in improving our plant operations. The standout achievement was the appreciable drop in internal rejections for products developed for Toyota. The seamless manufacturing operations for their steel variants reinforced their confidence in our operating capability. This was necessary to sustain our ties over the long term.

We persevered to improve our operating efficiencies across the facility. Kaizens and suggestions from the team helped us increase the number of heats per day, resulting in a drop in the energy consumption per tonne of steel. We aim to sustain these new benchmarks in the current year.

Quality and productivity improvements helped in maintaining our EBITDA per tonne despite lower volumes over the previous year.

Q. YOU MENTIONED SOMETHING ABOUT CAPACITY INCREASE. CAN YOU TAKE US THROUGH THAT?

A. We added two stands in our rolling mill, which, apart from increasing some of the capacity in the rolling mill, will also help improve the quality of some products through a softer reduction process.

Q. WHAT WERE SOME OTHER HIGHLIGHTS ON THE SHOP FLOOR FOR FY24?

A. Another important milestone was the commission of the gas pipeline to supply natural gas to our facilities. While we have been using natural gas for the last 18 months, it was ferried to our facility through trucks. With the pipeline in place, the issue of a supply break due to a logistical roadblock stands nullified. Moreover, the pipeline enables us to reduce our Scope 3 emissions, an important step in reducing our carbon footprint.

Q. HOW DID THE INTERNATIONAL BUSINESS PAN OUT IN FY24?

A. We made decent progress in strengthening our international operations. Our volumes with Toyota picked up. Our Japanese partners have approved eight steel variants this year, taking the total approvals to 22. The new approvals should help us increase Toyota's sales volume over the next few years. Further, as our business with Toyota increases, it will add to our reputation amongst other OEs.

The other important development is from the Western world. A large and reputed European auto major approved our product sample and audited the facility. We provided sample quantities and hope to receive their approval shortly. This is a happy achievement, for it promises to open an altogether new opportunity window for the Company.

Q. WHAT WERE THE DEVELOPMENTS IN THE DOMESTIC MARKET IN FY24?

A. In the domestic market, which is the mainstay of our business, we consolidated our position with our existing clients. We increased wallet share with some OEMs. We sharpened our focus on catering to quality-conscious component exporters. For they respect the value we offer. We also increased our business volumes with Tier 1 players catering to multiple OEMs. Even as we worked tirelessly on protecting and growing our turf in the domestic market, we received approval from a larger OEM in the passenger vehicle space for steel used in making a moving part (currently being imported). We hope our efforts will increase the demand for our products in the domestic market.

Q. COULD YOU THROW SOME LIGHT ON THE PLANS FOR FY25?

A. We plan to invest in a reheating furnace and Kocks Block to increase our rolling mill capacity further and improve product quality. We plan to invest in Eddy Current testing capabilities, uplifting our overall testing and inspection expertise. We are making a significant investment in a solar project. When operational, this project will help us considerably reduce our carbon footprint, positioning Vardhman as a go-to supplier for quality Green Steel, a trend gaining momentum in the Western world that will soon cascade to the Indian shores.

FINANCIAL PERFORMANCE

THE PAUSE IMPACTED THE FINANCIAL NUMBERS. BUT THAT WAS OK.

It was a year of consolidation – streamlining manufacturing operations, balancing capacities and improving product quality – which pulled our financials down marginally.

Revenue from Operations dropped from ₹1,734.99 crore in FY23 to ₹1,661.36 crore in FY24. Likewise, EBITDA and Net Profit slipped marginally by 4% and 9%, respectively. While profitability dropped, liquidity scaled – Net Cash Flow from Operations increased from ₹73.58 crore in FY23 to ₹142.41 crore in FY24, primarily owing to the stringent focus on optimising the working capital.

The Company strengthened its Balance Sheet. Networth increased from ₹642.21 crore as on March 31, 2023 to ₹719.35 crore as on March 31, 2024. Total Net Debt stood at ₹82.94 crore at the end of FY24 against ₹122.92 crore in the previous year. The net debt-equity ratio improved from 0.19x to 0.12x, allowing the Company sufficient room to take external funds for its capital projects.

Key Financial Ratios	UOM	FY24	FY23	Change (%)	Reason for change
Trade Receivables ratio	(x)	6.34	7.18	-11.70	
Inventory Turnover ratio	(x)	4.62	5.20	-11.15	
Interest Coverage ratio	(x)	7.67	8.29	-7.48	
Current ratio	(x)	2.38	2.18	9.17	
Net Debt-Equity ratio	(x)	0.12	0.19	-36.84	Due to decrease in borrowings and efficient working capital utilization.
Operating margin	(%)	8.57	8.15	5.15	
Net margin	(%)	5.52	5.79	-4.66	
Return on Net worth	(%)	13.46	16.78	-19.79	

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

Your Company has regularly reviewed and updated its internal controls by benchmarking against the industry standards. Dynamics of changing business requirements, statutory compliances and corporate governance are adopted in existing systems after careful review to remain in line with compliance requirements and expectations of business partners like customers and institutions. Senior management monitors the recommendations of internal audits for continuous system updating. IT system infrastructure is updated regularly to support business decision-making and better controls.

HUMAN RESOURCE

Vardhman understands the power of its people. These people have elevated the Company from just another special steel manufacturer into a globally respected special steel player. Their passion has helped the Company get some of its steel variants approved by its global partner. This achievement has further stoked their desire to raise their efficiency and quality a few notches higher.

This urge has been supported by an intensive training calendar comprising knowledge sharing on technical, operational and behavioural topics. The Company's Japanese partner focuses their training on safety, operational discipline and timeliness. The combination of the training intensity has only strengthened the team's professional fabric.

In addition, the Company encouraged team bonding through on- and off-the-job engagement initiatives. This bonding helped them to function better as a cohesive team with a singular objective – improving the Company's performance.

During the year, the Company added recruits to train them to manage its growing operations. The HR team also focused on developing the leadership pipeline.

The Company has 1,247 members (permanent) on its rolls as of March 31, 2024.

MANAGING BUSINESS RISKS

Vardhman is ardently committed to proactive risk management. The Risk Management Committee oversees the risks and reviews the effectiveness of the risk management plan or process.

DEMAND RISK

Shrinking demand could impact business progress.

Mitigation measures

- The resurgence of the automotive sector in the post-COVID period promises health demand.
- An increase in per capita income and growing aspiration is shoring premiumisation.
- Increased approvals from the Japanese partner will continue to increase supplies to them.
- Steel approval by other Japanese majors operating in India should help the demand for steel grow over the medium term.
- The Company has now started planning a new plant which will enhance capacity and possibly diversify into other steel in the future.

CAPACITY RISK

The capacity shortfall could stunt business growth.

Mitigation measures

- An increase in capacity happens in a phased manner.
- Steel melting capacity was increased some years back.
- Rolling mill capacity is now being increased to align with the steel melting capacity, which would also increase value addition.

QUALITY RISK

Maintaining consistent high quality could be a challenge.

Mitigation measures

- Quality has been a hallmark of products from Vardhman Special Steels – reflected in the client list comprising key OEMs.
- As a culture, quality has been rooted in the team across functions and hierarchies by its Japanese partners over the last five years.
- SOPs have been created for every process; teams are trained to follow their SOPs, and deviations are thoroughly analyzed to ensure errors are not repeated.
- Considerable investments have been made in upgrading its quality control labs to ensure that quality is never compromised.
- The proposed new Plant will take care of the limitations of this Plant and, hence, will enable us to enhance quality.

PEOPLE RISK

People engagement is critical for sustaining business growth.

Mitigation measures

- People-friendly policies and a prudent balance of authority and responsibility ensure that people remain aligned and dedicated to the Company's vision and goal.
- Regular team engagement initiatives ensure team bonding at periodic intervals –which is essential to building a cohesive team.
- Top and Middle management have been given ESOPs to keep them engaged and motivated.

ENVIRONMENT RISK

A focus on environmental management is critical for business continuity.

Mitigation measures

- Monitor energy and water consumption closely.
- Work with our Japanese partners on strategies and initiatives to optimise energy and water consumption.
- Focus on eliminating wastage from the system.
- Made investments to source some of our power requirements from renewable sources.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr. Rajeev Gupta – Chairman
2. Mr. Rakesh Jain
3. Mr. Sanjoy Bhattacharyya
4. Mr. Suman Chatterjee
5. Mrs. Vidya Shah
6. Mr. Hemant Bharat Ram
7. Mr. Toshio Ito
8. Mr. Rajinder Kumar Jain
9. Mrs. Suchita Jain
10. Mr. Rajendar Kumar Rewari – Executive Director
11. Mrs. Soumya Jain – Executive Director
12. Mr. Sachit Jain – Vice-Chairman & Managing Director

CHIEF FINANCIAL OFFICER

Mr. Sanjeev Singla

COMPANY SECRETARY

Mrs. Sonam Dhingra

STATUTORY AUDITORS

M/s BSR & Co. LLP,
Chartered Accountants, Chandigarh.

WORKS

Vardhman Special Steels Limited Unit-I,
C-58, Phase-III, Focal Point,
Ludhiana- 141 010

BANKERS

State Bank of India
HDFC Bank Limited
Axis Bank Limited
Yes Bank Limited
ICICI Bank Limited

REGISTERED OFFICE

Vardhman Premises, Chandigarh Road,
Ludhiana – 141010.
Phones: (0161)2228943-48
E-mail: secretarial.lud@vardhman.com
Website: www.vardhmansteel.com
www.vardhman.com

REGISTRAR & TRANSFER AGENT

Alankit Assignments Limited
205-208, Anarkali Complex, Jhandewalan Extn.,
New Delhi – 110 055.
Phone: (011) 41540060-63
Fax: (011) 41540064
E-mail: rta@alankit.com

BRANCHES & WAREHOUSES

- Plot Nos. 400-401, Block-C, Pioneer Industrial Park, Pathredi, Gurugram – 123 413.
- Survey No. 10/1, Bommasandra Village, Attibale Hubli, Anekal Taluka, Bangalore – 560 099.
- Bhurarani Road, Near Haryana Rice Mill, Distt. Udham Singh Nagar, Rudrapur – 263 153, Uttarakhand.
- DP No. 17, Sidco Women's Industrial Estate, Thirumullaivoyal, Chennai- 600 062, Tamil Nadu.
- C/o M/s MPI Exports Private Limited, B-26, MIDC Chakan, Pune-410501, Maharashtra.
- Gala #908A, Gat #71 B/s, Goodyear Tyre, Group Grampanchayat – Ghanegaon, Vitava Naryangaon (Khurad) – Aurangabad-410 504.
- C/o Sh. Inderjeet Singh, Village Mangli Nichi, Adjoining HP Lotey Petrol Pump, Chandigarh Road, Ludhiana– 141 010, Punjab.
- C/o North India Oxygen Company, B-21, Focal Point, Phase II, Dhandari Kalan, Ludhiana – 141 010, Punjab.
- 1st Floor, Palm Court, Opposite Management Development Institute, MG Road, Sector-16, Gurugram - 122 001.

DIRECTORS' REPORT

Dear Members

The Directors of your Company have pleasure in presenting their 14th Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2024.

1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31st March, 2024 is as under:-

(₹ in Lakhs)

PARTICULARS	2023-24	2022-23
Revenue from operations (Net)	1,66,135.93	1,73,499.11
Other Income	2,982.35	3,875.39
Profit before Depreciation, Interest & Tax (PBDIT)	17,226.24	18,008.08
Interest and Financial expenses	1,842.09	1,765.35
Profit before Depreciation and Tax (PBDT)	15,384.15	16,242.73
Depreciation	3,098.37	2,812.16
Profit/(Loss) before Tax (PBT)	**12,285.78**	**13,430.57**
Provision for Tax		
- Current Tax (including tax adjustment relating to prior years)	3,153.54	3,462.45
- Deferred Tax	(30.56)	(76.66)
Profit after tax (PAT)	**9,162.80**	**10,044.78**
Other Comprehensive Income/(Expense)	17.62	(27.91)
Total Comprehensive Income	**9,180.42**	**10,016.87**
Earnings per share (₹)		
- Basic	11.26	12.35
- Diluted	11.19	12.31

2. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

PRODUCTION & SALES REVIEW:

During the year under review, the production of Billet increased from 2,19,925 MT to 2,26,321 MT, showing an increase of 2.91% over the previous year. The Rolled production decreased from 1,88,108 MT to 1,71,042 MT, showing a decline of 9.07% over the previous year.

Your Company has registered Revenue from Operations of ₹166,135.93 lakhs as compared to ₹1,73,499.11 lakhs in the previous year. The exports of the Company decreased from ₹8,488.23 lakhs to ₹6,303.01 showing a decrease of 25.74%.

PROFITABILITY:

The Company earned profit before depreciation, interest and tax of ₹17,226.24 lakhs as against ₹18,008.08 lakhs in the previous year. After providing for depreciation of ₹3,098.37 lakhs (Previous Year ₹2,812.16 lakhs), interest of ₹1,842.09 lakhs (Previous Year ₹1,765.35 lakhs), provision for current tax including tax adjustment relating to prior years of ₹3,153.54 lakhs (Previous Year ₹3,462.45 lakhs) and Deferred Tax amounting to ₹(30.56) lakhs (Previous Year ₹(76.66) lakhs), the total comprehensive income worked out to ₹9,180.42 lakhs as compared to ₹10,016.87 lakhs in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹39,118.95 lakhs.

RESOURCES UTILISATION:

a) **Fixed Assets:**

The net block as at 31st March, 2024 was ₹32,414.17 lakhs as compared to ₹29,300.63 lakhs in the previous year.

b) **Current Assets:**

The current assets as on 31st March, 2024 were ₹67,428.19 lakhs as against ₹69,862.65 lakhs in the previous year. Inventory level was at ₹35,617.24 lakhs as compared to the previous year level of ₹36,267.99 lakhs.

FINANCIAL CONDITIONS & LIQUIDITY:

The Company enjoys a rating of "AA/Stable" from Credit Rating Information Services of India (CRISIL) for long term borrowings and "A1+" for short term borrowings. Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below:-

(₹in lakhs)

PARTICULARS	2023-24	2022-23
Cash and Cash equivalents:		
Beginning of the year	953.50	27.10
End of the year	764.03	953.50
Net cash provided (used) by:		
Operating Activities	14,240.61	7,357.55
Investing Activities	(5,014.33)	(1,483.48)
Financing Activities	(9,415.75)	(4,947.67)

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

4. DIVIDEND:

The Board of Directors in its meeting held on 1st May, 2024 has recommended dividend of ₹2/- per share on the fully paid-up Equity Shares of the Company.

5. CONSOLIDATED FINANCIAL STATEMENT:

As your Company does not have any subsidiary, associate or joint venture company, the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) 110, 111 and 112 in relation to consolidation of accounts do not apply.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary, associate or joint venture company.

7. DIRECTORS:

Liable to retire by rotation: In accordance with the provisions of the Articles of Association of the Company, Mr. Toshio Ito and Mr. Rajinder Kumar Jain, Directors of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The Board recommended their re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Appointment of Director: During the year under review, Ms. Soumya Jain was appointed as an Executive Director of the Company w.e.f. 2nd August, 2023. Her appointment was further approved by the Members of the Company in the Annual General Meeting held on 27th September, 2023.

Cessation from Directorship: During the year under review, Mr. B.K Choudary, Non-Executive Director, ceased to be Director of the Company w.e.f. 27th September, 2023. He retired by rotation in the previous Annual General Meeting and does not seek re-appointment due to personal issues.

Declaration by Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

Your Board confirms that in its opinion the Independent Directors possess the requisite integrity, experience, expertise, proficiency and qualifications. All the Independent Directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon (IICA) as notified by the Central Government under section 150(1) of the Companies Act, 2013 and, if applicable, shall undergo online proficiency self-assessment test within the time prescribed by the IICA.

Familiarization programmes for Board Members:

Your Company has formulated Familiarization Programme for all the Board members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies Act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc. through various programs.

The Familiarization Programme for Board members may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Familiarisation_Programme_for_Board_Members.pdf

Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the financial year 2023-24 was held on 19th March, 2024 to evaluate the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole.

The evaluation was done by way of discussions on the performance of the Non- Independent Directors, Chairman and Board as a whole.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors has been formulated by the Company.

8. NOMINATION AND REMUNERATION POLICY:

In compliance with section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Policy of the Company has been duly approved and adopted by the Board pursuant to recommendations of Nomination and Remuneration Committee of the Company and may be accessed on the website of the Company at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Nomination_&_Remuneration_Policy.pdf

As mandated by proviso to section 178(4) of the Companies Act, 2013, salient features of Nomination and Remuneration Policy are as under:

a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommending to the Board their appointment and removal.

b) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.

c) Recommending to the Board, policy relating to remuneration of Directors (Whole time Directors, Executive Directors etc.), Key Managerial Personnel and other employees while ensuring the following:-

   i. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

   ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

   iii. That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the Company and its goals.

d) Formulating the criteria for evaluation of performance of Board and all the Directors.

e) Devising a policy on diversification of Board.

f) Determining whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.

g) Recommending to the Board remuneration payable to the Senior Management.

9. KEY MANAGERIAL PERSONNEL (KMP):

In compliance with the provisions of section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2024:

S. No.	Name	Designation
1.	Sachit Jain	Vice-Chairman & Managing Director
2.	Sanjeev Singla	Chief Financial Officer
3.	Sonam Dhingra	Company Secretary

10. NUMBER OF BOARD MEETINGS:

During the year under review, the Board met Five (5) times and the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013. The details of Board Meetings are set out in Corporate Governance Report which forms part of this Annual Report.

11. AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

M/s. BSR & Co., LLP, Chartered Accountants, (Firm Registration No.: 101248W/W-100022) were appointed as Statutory Auditors of the Company for a second consecutive term of 5 years at the 13th Annual General Meeting held on 27th September, 2023.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2024.

This Auditors' Report is self-explanatory and requires no comments.

Secretarial Auditor:

M/s. Harsh Goyal & Associates, Company Secretary in Practice, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 27th April, 2023 for the financial year 2023-24.

The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under section 204, of the Companies Act, 2013 for the financial year ended 31st March, 2024. This Report is self-explanatory and requires no comments. The Report forms part of this report as **Annexure - I.**

Cost Auditor:

The Company is maintaining the Cost Records, as specified by the Central Government under section 148(1) of Companies Act, 2013.

The Board of Directors had appointed M/s Ramanath Iyer & Company, Cost Accountants, New Delhi, as the Cost Auditors of the Company to conduct Cost Audit of the Accounts for the financial year ended 2023-24. The Cost Audit Report for the financial year 2023-24 is under finalization and will be submitted to the requisite authorities within due course of time.

12. AUDIT COMMITTEE & VIGIL MECHANISM:

Composition of Audit Committee:

The Audit Committee comprises of Mrs. Vidya Shah, Mr. Rakesh Jain, Mr. Sanjoy Bhattacharyya and Mr. Suman Chatterjee, Independent Directors and Mr. Rajinder Kumar Jain, Non-Executive Director. Mrs. Vidya Shah is the Chairperson of the Committee and Ms. Sonam Dhingra is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism:

Pursuant to the provisions of section 177(9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Whistle Blower Policy in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud or violation of the code of conduct by way of direct access to the Managing Director/ Chairman of the Audit Committee.

The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/_Whistle_Blower_Policy.pdf

13. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report on Corporate Governance.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Vision & Core areas of CSR: Your Company is committed to and fully aware of its CSR, the guidelines in respect of which are more clearly laid down in the Companies Act, 2013. The Company's vision on CSR is to pursue a corporate strategy that enables shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner.

CSR Policy: The Corporate Social Responsibility Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Corporate_Social_Responsibility_Policy.pdf

During the year, the Company has spent ₹191.25 lakhs on CSR activities. Out of this, an amount of ₹171.74 lakhs pertains to FY 2023-24 and ₹19.51 lakhs pertains to FY 2022-23.

The disclosures related to CSR activities pursuant to section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and forms part of this report as **Annexure - II.**

15. RISK MANAGEMENT:

The Risk Management Policy required to be formulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity. The Policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.

The Risk Management Policy may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Risk_Management_Policy.pdf

16. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR):

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the BRSR as part of the Annual Report for top 1000 listed entities based on market capitalization. In compliance with the Listing Regulations, BRSR is available on the Company's website at the link : https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Special%20Steels%20Ltd/BRSR_2023-24.pdf

17. DIVIDEND DISTRIBUTION POLICY (DDP):

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed companies are required to formulate a DDP. Accordingly, a DDP was adopted to set out the parameters and circumstances that will be taken into account by the Board in recommending the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is available on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Dividend_Distribution_Policy.pdf

18. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

A report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, as given by the Statutory Auditors of the Company forms part of the Independent Auditor's Report as Annexure B.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Related_Party_Transaction_Policy.pdf

Your Directors draw attention of the Members to Note 44 to the financial statements which sets out related party disclosures.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Particulars of loans given/ taken, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note 6, 7, 11 and 19 to the financial statements).

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Particulars with respect to conservation of energy and other areas as per section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are annexed hereto and forms part of this report as **Annexure - III.**

22. ANNUAL RETURN:

In terms of section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company www.vardhman.com/ www.vardhmansteel.com.

23. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring to build high performance culture on one hand and amiable work environment on the other hand. As on 31st March, 2024, the Company employed around 1,247 employees on permanent rolls.

Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floor of the plant.

24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The disclosures in respect of managerial remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto and forms part of this report.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and forms part of this report.

All the above details are provided in **Annexure - IV.**

In terms of section 197(14) of the Companies Act, 2013, the Company does not have any Holding or Subsidiary Company.

25. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

26. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, the Board hereby submit its Responsibility Statement:—

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;

b. appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit of the Company for the year ended on 31st March, 2024;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a going concern basis;

e. the Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. a proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

27. GENERAL DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

a. Details relating to deposits covered under Chapter V of the Act.

b. Issue of equity shares with differential rights as to dividend, voting or otherwise.

c. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

d. Change in nature of Business of the Company.

e. Transfer of Unclaimed dividend to Investor Education and Protection fund.

f. No fraud has been reported by the Auditors to the Audit Committee or the Board.

g. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

h. There was no instance of one time settlement with any Bank or Financial Institution.

Further, your Directors state that the Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there was no complaint filed under the said Act.

28. BONUS ISSUE:

During the year, the Members of the Company through their Postal Ballot had approved to issue Bonus Equity Shares to the existing Equity Shareholders of the Company in the ratio of 1:1. Accordingly, on 31st May, 2023, your Company had issued Bonus Shares to the existing Equity Shareholders in the ratio of 1:1. The paid-up equity capital of the Company after the allotment of Bonus Shares stood increased to ₹81,25,48,280.

29. VARDHMAN SPECIAL STEELS LIMITED EMPLOYEE STOCK OPTION PLAN:

The Company had granted Options to its eligible employees under Vardhman Special Steels Limited Employee Stock Option Plan, 2016 (hereinafter referred as ESOP Plan 2016) and Vardhman Special Steels Limited Employee Stock Option Plan, 2020 (hereinafter referred as ESOP Plan 2020).

- As per the terms of the ESOP Plan 2016, the Company can grant a maximum of 3,71,108 Options to eligible employees from time to time. One Option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan 2016.
- As per the terms of the ESOP Plan 2020, the Company can grant a maximum of 5,00,000 Options to eligible employees from time to time. One Option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan 2020.

During the financial year 2023-24, the Company had issued Bonus Shares to the existing shareholders of the Company in the ratio of 1:1. As per ESOP Plan 2016 and 2020, the employees who will exercise Options, shall also be entitled to receive Bonus Shares in the ratio of 1:1.

Now, during the financial year, 26,250 Options were exercised by the eligible employees under 2nd grant of ESOP Plan 2016 and consequently 52,500 shares (including Bonus Shares) were allotted to employees; and 76,250 Options were exercised by the eligible employees under 1st grant of ESOP Plan 2020 and consequently 1,52,500 shares (including Bonus Shares) were allotted to employees. Accordingly, the paid-up equity share capital of the Company after this allotment stood increased to ₹81,45,98,280.

Further, the Nomination and Remuneration Committee in its meeting held on 23rd July, 2022 had made a third grant of 9,000 Options under ESOP Plan 2016 to its eligible employees out of 9,437 options lying un-granted under the ESOP Plan 2016 and a second grant of 1,25,000 Options under ESOP Plan 2020 to its eligible employees out of 2,20,500 options lying un-granted under the ESOP Plan 2020. These Options will start vesting with the eligible employees after two years from the date of grant and they will also be entitled to Bonus Shares in the ratio of 1:1 upon exercise of Options.

The ESOP Plan 2016 and 2020 of the Company are being implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolutions passed by the shareholders approving the said Plans. A certificate from the Secretarial Auditor of the Company in this regard would be available during the Annual General Meeting for the inspection by the Members.

The details as required to be disclosed are put on the Company's website and may be accessed at https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Special%20Steels%20Ltd/ESOP_DISCLOSURE_-_2023-24.pdf

30. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers, Business Constituents and Shareholders for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too.

They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

FOR AND ON BEHALF OF THE BOARD

Place : Ludhiana
Dated : 1st May, 2024

(RAJEEV GUPTA)
Chairman

INDEX OF ANNEXURES

(FORMING PART OF BOARD REPORT)

Annexure No.	Particulars
I	Secretarial Audit Report in form no. MR-3 for FY 2023-24.
II	Annual Report on CSR activities for the Financial Year 2023-24.
III	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
IV	Particulars of employees and related disclosures.

ANNEXURE – I

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
The Members,
Vardhman Special Steels Limited
Ludhiana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vardhman Special Steels Limited (hereinafter referred to as Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the Audit period)

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit period)

(h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. (Not applicable to the Company during the Audit period)

We have also examined the compliance of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with the following laws applicable specifically to the company:

(a) Environment Protection Act, 1986

(b) Water (Prevention and Control of Pollution) Act, 1974

(c) Air (Prevention and Control of Pollution) Act, 1981

We further report that

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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

For **Harsh Goyal & Associates**
Company Secretaries
Sd/-
(Harsh Kumar Goyal)
Prop.
FCS 3314
C P No.:2802
UDIN : F003314F000283506

Place: Ludhiana
Date: 01.05.2024

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

'ANNEXURE A'

To

The Members,

Vardhman Special Steels Limited

Ludhiana

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Harsh Goyal & Associates**
Company Secretaries
Sd/-
(Harsh Kumar Goyal)
Prop.
FCS 3314
C P No.:2802
UDIN : F003314F000283506

Place: Ludhiana
Date: 01.05.2024

ANNEXURE – II

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

1. **Brief outline on CSR Policy of the Company.**

   The thrust area for CSR includes promotion of education, environmental protection and energy conservation, development of human capital, rural development, women empowerment and other project/ programme pertaining to activities listed in the Rules.

2. **Composition of CSR Committee:**

   Composition of the CSR Committee and details of attendance during Financial Year 2023-24 are as under:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Vidya Shah	Chairperson, Independent, Non- Executive Director	2	2
2.	Mr. Sachit Jain	Member, Non-Independent Executive Director	2	2
3.	Mr. Raghav Chandra	Member, Independent, Non- Executive Director	2	2

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

   Link of Composition: https://www.vardhman.com/Document/Report/Company%20Information/Board/Vardhman%20Special%20Steels%20Ltd/List_of_Committee_of_Directors.pdf

   Link of Policy: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Corporate_Social_Responsibility_Policy.pdf

   Link of CSR Projects: https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Special%20Steels%20Ltd/CSR_Projects_-_2024-25.pdf

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

   Not Applicable for the financial year.

5. (a) **Average net profit of the Company as per sub-section (5) of Section 135:**- ₹12,116.90 lakhs

   (b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹242.34 lakhs

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** Nil

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹242.34 lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹171.74 lakhs

   (b) **Amount spent in Administrative Overheads:** Nil

   (c) **Amount spent on Impact Assessment, if applicable:** N.A.

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹171.74 lakhs

   (e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ In lakhs)	Amount Unspent (₹In lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
2023-24	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
171.74	70.60	12.04.2024	-	-	-

   (f) **Excess amount for set off, if any:**

Sr. No.	Particular	Amount (₹In lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	242.34
(ii)	Total amount spent for the financial year	171.74
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (₹In lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (₹In lakhs)	Amount Spent in the Financial Year (₹In lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹In lakhs)	Deficiency, if any
					Amount (₹In lakhs)	Date of Transfer		
1.	2022-23	19.51	-	19.51	-	-	-	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:**

   Yes ☐ No ☑

   If Yes, enter the number of Capital assets created/acquired: **N.A.**

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
N.A.							

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:**

   An amount of ₹70.60 lakhs remaining unspent pertains to "Ongoing Projects." This amount has been transferred to a separate unspent CSR Account. The said "Ongoing Projects" will be complete by FY 2024-25, 2025-26 & 2026-27.

Sd/-
(Sachit Jain)
(Vice-Chairman & Managing Director)

Sd/-
(Vidya Shah)
(Chairperson of CSR Committee)

ANNEXURE- III

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.

CONSERVATION OF ENERGY:

STEPS TAKEN FOR CONSERVATION OF ENERGY:

The Company has taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. Emphasis is also given to optimize the operation of various equipment which lead to energy conservation.

Conservation measures taken, proposed measures being implemented for reduction of consumption of energy and consequent impact thereof on the cost of production of goods in Vardhman Special Steels Limited for the year 2023-24 are as mentioned below:

Sr. No.	Energy Conservation	Approx. cost Savings Per Annum (₹ in lakhs)
1	Reduction of EAF & LRF Power Consumption by 20 kwh/MT by using cleaner scrap.	330
2	LRF FES Power optimization by speed control.	42
3	Old Oil Cooled Reactor replaced with Energy Efficient Air Core Reactor at 66 KV Sub-station for Capacitor Bank.	3

STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

1. Discontinued using Furnace Oil and switched over to Natural Gas, a green fuel.
2. Entered into an agreement for setting up of 55 MW DC Solar Power Plant. It will replace about 40% of our total power consumption.

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS – NIL

TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are furnished as under:

A) RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which Research & Development is carried out by the Company:

- Developed steel for transmission applications like Gear, connecting rod, crankshaft for ASEAN Region.
- Installed state of the art Scanning Electron Microscope with Energy Dispersive X-Ray Spectroscopy (SEM-EDS) for enabling defect characterization and failure analysis.
- Automatic Surface Grinder installed for preparation of test surface of Jominy hardenability testing that will increase accuracy in sample preparation for eliminating human error.

2. Benefits derived as a result of R & D:

- Strengthened material and defect analysis capability.
- Developed NDT capability to meet future Electric Vehicles steel requirement.
- Surface quality improvement with help of various improvement projects in entire production process.

3. Future Course of action:

Management is fully committed to further strengthen the Research & Development activities by adding more equipments to strengthen its product testing and development activities.

4. Expenditure on R & D: (₹in lakhs)

Particulars	2023-24	2022-23
Capital	381.40	623.35
Recurring	1,220.01	1,213.49
Total	1,601.41	1,836.84
Total R & D expenditure as a Percentage of Turnover	0.96%	1.06%

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts made:

Planning to install new technologies namely-

- O2, N2, H2 Gas Analyzer for testing residual gases in steel.
- Optical Emission Spectrometer for testing of steel chemistry.
- Impact tester with temperature controller.
- Digital Universal Testing Machine of 100 MT capacity to check mechanical properties of steel.
- Automatic Metallurgical Sample polisher required for preparation of inspection surfaces for various metallurgical tests.

2. Particulars of technology imported in last three years:

Details of Technology imported	Year of Import	Whether the technology been fully absorbed
Carbon & Sulphur Analyzer	2021-22	Yes
O2, N2, & H2 Gas Analyzer	2021-22	Yes
Digital Microscope with elemental Analyzer	2022-23	Yes
Scanning Electron Microscope with Energy Dispersive X-Ray Spectroscopy (SEM - EDS)	2023-24	Yes

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year 2023-24, the Company exported 7,362 MT of rolled products having FOB value of ₹6,230.00 lakhs.

Total Foreign Exchange earned and used: (₹In lakhs)

Particulars	2023-24	2022-23
a) Earnings (FOB value of Exports)	6,230.00	8,192.19
b) Outgo (CIF value of Imports and Expenditure in Foreign Currency)	9,587.68	21,975.68

ANNEXURE- IV

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

S. No.	Name of Director/ KMP and Designation	Remuneration for Directors/ KMP for Financial Year 2023-24 (Amount in ₹)	% Increase in Remuneration in the Financial Year 2023-24	Ratio of Remuneration of each Director/ KMP to Median Remuneration of Employees
1.	Sachit Jain Vice-Chairman & Managing Director	870,45,141	-3.92	207.62
2.	Rajendar Kumar Rewari# Executive Director	194,85,670	N.A.	46.48
3.	Soumya Jain* Executive Director	73,29,662	N.A.	17.48
4.	Suchita Jain Non-Executive Director	-	-	-
5.	Toshio Ito Non-Executive Director	-	-	-
6.	Rajinder Kumar Jain Non-Executive Director	3,20,000	14.29	0.76
7.	Rajeev Gupta Non-Executive Non-Independent Director	2,40,000	33.33	0.57
8.	Rakesh Jain Independent Director	4,10,000	6.49	0.98
9.	Raghav Chandra Independent Director	4,50,000	40.63	1.07
10.	Sanjoy Bhattacharyya Independent Director	5,35,000	55.07	1.28
11.	Suman Chatterjee# Independent Director	3,35,000	N.A.	0.80
12.	Vidya Shah# Independent Director	2,75,000	N.A.	0.66
13.	Sanjeev Singla Chief Financial Officer	80,57,905	18.14	19.22
14.	Sonam Dhingra Company Secretary	15,05,191	25.71	3.59

#Mr. Rajendar Kumar Rewari, Mr. Suman Chatterjee and Mrs. Vidya Shah were appointed as Directors of the Company w.e.f. 25.07.2022.

* Ms. Soumya Jain was appointed as an Executive Director of the Company w.e.f. 02.08.2023. In addition to the remuneration stated above, she has also received remuneration amounting to ₹9,42,400 in the capacity of Chief Manager of the Company till 01.08.2023.

2. The median remuneration of employees of the Company during the financial year was ₹4,19,246.
3. In the financial year, there was an increase of 3.89% in the median remuneration of employees.
4. There were 1,247 permanent employees on the rolls of Company as on March 31, 2024.
5. Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year 2023-24 was 5.92% whereas the increase in the managerial remuneration for the same financial year was 12.22%.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR, WHO WERE IN RECEIPT OF REMUNERATION WHICH, IN THE AGGREGATE, WAS NOT LESS THAN ₹1,02,00,000/- PER ANNUM:

Sr. No.	Name of employee	Designation/ Nature of duties	Remu-neration (₹in lakhs)	Quali-Fication	Age (Years)	Experience (Years)	Date of Em-ployment	Particulars of last employ-ment
1.	Mr. Sachit Jain	Vice-Chairman & Managing Director	870.45	B. Tech, MBA	58	34	14.05.2010	Joint Managing Director (Vard-hman Textiles Limited)
2.	Mr. Rajendar Kumar Rewari	Executive Director	194.86	B.Sc., LLB	67	42	25.07.2022	Director, MP Location, Vard-hman Textiles Limited

2. PERSONS EMPLOYED FOR A PART OF FINANCIAL YEAR, WHO WERE IN RECEIPT OF REMUNERATION FOR ANY PART OF THAT YEAR, AT A RATE WHICH IN AGGREGATE, WAS NOT LESS THAN ₹8,50,000/- PER MONTH: NIL

3. STATEMENT SHOWING DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:

S.No., Name, Age, Designation, Gross Remuneration (in ₹ lakhs per annum), Nature of Employment, Qualifications, Experience (in years), Date of Joining, Previous Employment and No. of Equity Shares held by the employee as on 31.03.2024

1, Sachit Jain, 58, Vice-Chairman & Managing Director, 870.45, Regular, B. Tech & MBA, 34, 14.05.2010, Vardhman Textiles Limited, 1,12,26,238. 2, Rajendar Kumar Rewari, 67, Executive Director, 194.86, Regular, B.Sc., LLB, 42, 25.07.2022, Vardhman Textiles Limited, 384. 3, Mukesh Gupta, 49, Senior Vice-President (Head – Production), 104.21, Regular, BE (MET), 23.08, 12.08.2016, Mahindra Sanyo Special Steels Private Limited, 87,740. 4. Davinder Singh, 50, Vice-President (Head - Domestic Marketing), 85.19, Regular, M.Sc. & MDBA, 28.11, 04.05.2015, Modern Steels Limited, 46,310. 5, Soumya Jain, 31, Executive Director (w.e.f. 02.08.2023, Chief Manager till 01.08.2023), 73.30 (plus ₹9.42 as Chief Manager till 01.08.2023), Regular, B.Sc. (Eco. Hons.), MBA, 7, 02.08.2023, Vardhman Textiles Limited, 5,320. 6, Sanjeev Singla, 48, Chief Financial Officer, 80.58, Regular, B.Com & CS (Inter), 29, 25.03.2014, Vardhman Polytex Limited, 67,286. 7. Davinder Singh, 65, Vice-President, 77.52, Regular, ITI, 46.4, 01.12.2009, Munjal Engineers & Co., 8050. 8. Yasushi Ota, 51, Senior Manager, 74.93, Regular, B. Tech. Mechanical, 29.5, 06.12.2022, Aichi Steel Corporation, 0. 9, Amit Chopra, 49, Vice-President (Head- Export Marketing & Product Development), 72.99, Regular, MBA & BE, 25.11, 15.05.2009, Jindal Stainless Limited, 1,041. 10, Shunsuke Kitagawa, 31, Manager, 73.26, Regular, Metal Materials Engineering, 11, 01.10.2021, Aichi Steel Corporation, 0.

Note: Except Mr. Sachit Jain and Ms. Soumya Jain, none of the above employee is related to any Director of the Company.

CORPORATE GOVERNANCE REPORT

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmark of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

1. VARDHMAN GROUP'S PHILOSOPHY:

- Continued expansion in areas "which we know best".
- Total customer focus in all operational areas.
- Products to be of best available quality for premium market segments through TQM.
- Zero defect implementation.
- Integrated diversification/ product range expansion.
- Global orientation.
- World class manufacturing facilities with most modern R & D and process technology.
- Faith in individual potential and respect for human values.
- Encouraging innovation for constant improvements to achieve excellence in all functional areas.
- Accepting change as a way of life.
- Appreciating our role as a responsible corporate citizen.

2. BOARD OF DIRECTORS/ BOARD MEETINGS:

i. Composition as on 31st March, 2024:

The Composition of Board and category of Directors are as follows:-

Category	Name of Directors
Promoter Directors	# Sachit Jain - Vice-Chairman & Managing Director # Suchita Jain - Non- Executive Non- Independent Director # Soumya Jain – Executive Director
Executive Director	Rajendar Kumar Rewari
Independent Directors	Rakesh Jain Sanjoy Bhattacharyya Raghav Chandra Suman Chatterjee Vidya Shah
Non- Executive Non- Independent Director	Rajeev Gupta #Rajinder Kumar Jain Toshio Ito

Relationship Inter-se:

Except Mr. Sachit Jain, Mrs. Suchita Jain, Ms. Soumya Jain and Mr. Rajinder Kumar Jain, none of the Directors of the Company is related to any other Director of the Company.

ii. Board Meetings:

During the financial year 2032-24, the Board met 5 times on the following dates:

- 12th April , 2023
- 27th April,2023
- 2nd August, 2023
- 7th November, 2023
- 2nd February, 2024

iii. Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorships/Chairmanships in Indian Public Limited Companies and names of other Listed Entities where the person is director and category of directorship therein are as follows:-

Name of Director	No. of Board meet-ings attended	Attend-ance at last AGM	Total No. of Direc-torships in other Companies	Names of other Listed Entities where the person is Director	Category of Directorship in other listed entities	No. of Committee mem-berships in other Companies	Total No. of Board Chairman-ship in other Companies	Total No. of Committee Chairman-ships in other companies
Rajeev Gupta	5	No	4	United Spirits Limited Rane Holdings Limited EIH Limited T.V. Today Network Limited	Non- Executive Director Non- Executive Director Non- Executive Director Non- Executive Director	4	-	0
Sachit Jain	5	Yes	8	Vardhman Holdings Limited Vardhman Textiles Limited Vardhman Acrylics Limited	Non- Executive Director Non- Executive Director Non- Executive Director	2	-	-
Rajendar Kumar Rewari	5	Yes	-	-	-	-	-	-
Soumya Jain#	3	Yes	-	-	-	-	-	-
Suchita Jain	4	No	7	Vardhman Textiles Limited Vardhman Holdings Limited Vardhman Acrylics Limited	Executive Director Non- Executive Director Non- Executive Director	5	-	1
Rajinder Kumar Jain	5	Yes	-	-	-	-	-	-
Toshio Ito	5	Yes	-	-	-	-	-	-
Sanjoy Bhattacharyya	5	No	-	-	-	-	-	-
Rakesh Jain	4	No	-	-	-	-	-	-
Raghav Chandra	5	Yes	2	Welspun Enterprises Limited J. Kumar Infraprojects Limited	Non-Executive Director Non-Executive Director	4	-	1
Suman Chatterjee	3	No	-	-	-	-	-	-
Vidya Shah	2	Yes	3	Edelweiss Financial Services Limited	Non- Executive Director	1	-	-
B.K. Choudhary*	2	No	-	-	-	-	-	-

Ms. Soumya Jain was appointed as a Director of the Company w.e.f. 02.08.2023.

* Mr. B.K. Choudhary ceased to be a Director of the Company w.e.f. 27.09.2023.

Video conferencing facility was provided to facilitate Directors travelling abroad or present at other locations to participate in the Board meetings.

Vardhman
Delivering Excellence. Since 1965.

3. BOARD COMMITTEES:

i. Board Committees, their composition and terms of reference are provided as under:

Name of Committee	Composition	Terms of Reference
Audit Committee	Vidya Shah (Chairperson) Rakesh Jain Sanjoy Bhattacharyya Suman Chatterjee Rajinder Kumar Jain	• The role of the Audit Committee is as per section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Nomination and Remuneration Committee	Sanjoy Bhattacharyya (Chairman) Rajeev Gupta Rakesh Jain	• The role of the Nomination and Remuneration Committee is as per section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. • Formulated and recommended Nomination and Remuneration Policy. • The Nomination & Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under section 178(3) of the Companies Act, 2013.
Corporate Social Responsibility Committee	Vidya Shah (Chairperson) Sachit Jain Raghav Chandra	• Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to the provisions of Schedule VII of the Companies Act, 2013 read with CSR Rules, 2014. The CSR Policy may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Corporate_Social_Responsibility_Policy.pdf • Recommends expenditure to be incurred for CSR activities/ project and ensures effective monitoring of CSR Policy of the Company from time to time. • The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as **Annexure - II.**
Stakeholders' Relationship Committee	Raghav Chandra (Chairman) Suchita Jain Soumya Jain	• The Committee reviews and ensures redressal of investor grievances. • The Committee noted that during the year the Company received 1 complaint from the investor and the same has been duly resolved by the Company.
Risk Management Committee	Suman Chatterjee (Chairman) Raghav Chandra Rajendar Kumar Rewari Sanjeev Singla	• The Risk Management Policy of the Company aims to maximize opportunities in all activities and to minimize adversity. • The Risk Management framework includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. • The Risk Management Policy may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Risk_Management_Policy.pdf

Mrs. Sonam Dhingra, Company Secretary and Compliance Officer, is the Secretary of all Board Committees constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. **Meetings of Board Committees held during the year and Director's attendance:**

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders' Relationship	Risk Management Committee
Meetings held	**4**	**2**	**2**	**1**	**2**
Rajeev Gupta	N.A.	N.A.	2	N.A.	N.A.
Sachit Jain	N.A.	2	N.A	N.A.	N.A.
Rajendar Kumar Rewari	N.A.	N.A.	N.A.	N.A.	1
Soumya Jain	N.A.	N.A.	N.A.	1*	N.A.
Suchita Jain	N.A.	N.A.	N.A.	0	N.A.
Rajinder Kumar Jain	4	N.A.	N.A.	N.A.	N.A.
Toshio Ito	N.A.	N.A.	N.A.	N.A.	N.A.
Sanjoy Bhattacharyya	4	N.A.	2	N.A.	N.A.
Rakesh Jain	3	N.A.	1	N.A.	N.A.
Raghav Chandra	N.A.	2	N.A.	1	2
Suman Chatterjee	2	N.A.	N.A.	N.A.	2
Vidya Shah	2	2	N.A.	N.A.	N.A.
B.K. Choudhary	N.A.	N.A.	N.A.	-#	-#

*Ms. Soumya Jain was appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 2nd August, 2023.

#Mr. B.K. Choudhary ceased to be a Member of the Stakeholders' Relationship Committee and the Risk Management Committee w.e.f. 2nd August, 2023.

N.A. – Not a member of the Committee.

iii. **Meeting of Independent Directors:**

The meeting of Independent Directors of the Company for the financial year 2023-24 was held on 19th March, 2024, to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

Performance Evaluation

The performance evaluation of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole, was done by Independent Directors by way of discussions on their performance.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors have been formulated by the Company.

Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the Nomination and Remuneration Policy, the Board of Directors/ Independent Directors/ Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

Familiarisation Programme for Independent Directors

The details of the Familiarisation Programme conducted for the Independent Directors of the Company are available on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Familiarisation_Programme_for_Board_Members.pdf

iv. **Core Skills/ Expertise / Competencies available with the Board**

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The table below summarizes the key attributes and skills matrix considered necessary for effective functioning of the Company and are currently available with Board:

Name of Director	Area of Expertise
Rajeev Gupta	Strategic Planning Financial Expertise
Sachit Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Rajendar Kumar Rewari	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Soumya Jain	Strategic Planning
Suchita Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Rajinder Kumar Jain	Leadership Operational Experience Industry Experience Financial Expertise
Toshio Ito	Strategic Planning Leadership Operational Experience Industry Experience
Sanjoy Bhattacharyya	Strategic Planning Financial Expertise
Rakesh Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Raghav Chandra	Strategic Planning Leadership Financial Expertise Administrative Experience
Suman Chatterjee	Strategic Planning Leadership Operational Experience Administrative Experience
Vidya Shah	Strategic Planning Leadership Financial Expertise

4. DIRECTORS' REMUNERATION:

i) Vice-Chairman & Managing Director / Executive Directors:

The Company pays remuneration to Vice-Chairman & Managing Director and Executive Directors as approved by the Board of Directors and the Members of the Company in the General Meeting.

A detail of remuneration paid to these Directors, during the year 2023-24, is as given below:

(₹ in lakhs)

Name	Sachit Jain	Rajendar Kumar Rewari	Soumya Jain*
Designation	Vice- Chairman & Managing Director	Executive Director	Executive Director
Salary	138.00	60.28	20.76
Perquisites & Allowances	128.03	58.09	12.30
Retirement Benefit	16.56	10.85	2.84
Commission	587.86	-	-
Performance Linked Incentive and criteria thereof	-	65.64	37.40
Stock Option details	-	30,000 stock options were granted in July, 2022. Further, pursuant to Bonus Issue in May 2023, he is also entitled to 30,000 bonus shares in the ratio of 1:1, upon exercise of Options.	

The tenure of office of the above Directors is 5 (five) years from the date of their respective appointments and can be terminated by either party by giving 3 months' notice in writing. There is no separate provision for payment of severance fees.

* In addition to the remuneration stated above, Ms. Soumya Jain has also received remuneration amounting to ₹9.42 lakhs in the capacity of Chief Manager of the Company till 01.08.2023.

ii) Non-Executive Directors:

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board and Committee Meetings. The Non-Executive Directors were paid sitting fees of ₹40,000/- per Board Meeting, ₹30,000 per Audit Committee Meeting and ₹20,000/- per meeting for other Committee Meetings. The Non-Executive Independent Directors were paid sitting fee of ₹60,000/- per Board Meeting, ₹40,000/- per Audit Committee Meeting and ₹25,000/- per meeting for other Committee Meetings.

The detail of sitting fees paid to the Directors during the Financial Year 2023-24 is given hereunder: -

S. No.	Name of Director	Sitting Fee (₹)
1.	Rajeev Gupta	2,40,000
2.	Rajinder Kumar Jain	3,20,000
3.	Sanjoy Bhattacharyya	5,35,000
4.	Rakesh Jain	4,10,000
5.	Raghav Chandra	4,50,000
6.	Suman Chatterjee	3,35,000
7.	Vidya Shah	2,75,000

5. PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY AS ON 31ST MARCH, 2024:

The particulars of Senior Management of the Company is given as follows:-

Name of the Senior Management Personnel	Designation
Sanjeev Singla	Chief Financial Officer
Mukesh Gupta	Senior Vice-President (Head – Production)
Manuj Mehta	Senior Vice-President (Head – Human Resource)
Dinesh Singh	Vice-President (Head - Research & Development)
Davinder Singh	Vice-President (Head - Domestic Marketing)
Amit Chopra	Vice-President (Head - Export Marketing & Product Development)
Jagdish Chand Sharma	Vice President (Head - Engineering Services)
Sonam Dhingra	Company Secretary & Compliance Officer

During the year, there was no change in the Senior Management.

6. SHAREHOLDING DETAIL OF DIRECTORS AS ON 31ST MARCH, 2024:

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows: -

S.No.	Name of Director	Number of Shares Held
1.	Sachit Jain	1,12,26,238
2.	Suchita Jain	1,80,534
3.	Soumya Jain	5,320
4.	Rajinder Kumar Jain	36,340
5.	Rajendar Kumar Rewari	384

*No other director holds any share in the Equity Share Capital of the Company.

7. GENERAL BODY MEETINGS:

i. The details of Annual General Meeting & No. of Special Resolutions passed thereat is as follows:

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
13th Annual General Meeting for the Financial Year ended 31st March, 2023.	Wednesday, 27th September, 2023 at 10:30 a.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2
12th Annual General Meeting for the Financial Year ended 31st March, 2022.	Friday, 30th September, 2022 at 9:30 a.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	5
11th Annual General Meeting for the Financial Year ended 31st March, 2021.	Friday, 17th September, 2021 at 10:30 a.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2

ii. Postal Ballot

During the year, the members approved following two matters by passing Special resolution through Postal Ballot:

a) To increase the Authorized Share Capital of the Company and approve alteration in Capital Clause of the Memorandum of Association of the Company.

b) To approve the issuance of Bonus Shares.

The Board had appointed M/s. Harsh Goyal & Associates, Practicing Company Secretaries as Scrutinizer to conduct the Postal Ballot Process, by voting through electronic means only, in a fair and transparent manner. The details of the voting pattern are as follows:-

Resolution passed through postal ballot	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
	Number of members voted	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
To increase the Authorized Share Capital of the Company and approve alteration in Capital Clause of the Memorandum of Association of the Company	193	3,02,82,796	100	0	0	0	-	-
To approve the issuance of Bonus Shares	192	3,02,82,791	100	1	5	0	-	-

Procedure for Postal Ballot: The postal ballot was carried out as per the provisions of sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 3/2022 dated May 5, 2022 read with other relevant circulars and General Circular No. 11/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs.

There is no immediate proposal for passing any resolution through postal ballot in financial year 2024-25.

8. DISCLOSURES:

i. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Related_Party_Transaction_Policy.pdf

ii. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.

iii. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/_Whistle_Blower_Policy.pdf

iv. The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

v. The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

vi. During the year, no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

vii. Risk Management Policy as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity.

viii. Further, the Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company may also take-up the non-mandatory requirements of the Listing Regulations in due course of time.

ix. The Company has no material subsidiary. The Policy for determining 'Material' Subsidiary is available at Company's Website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Special%20Steels%20Ltd/Policy_for_determining_Material_Subsidiary.pdf

x. As on March 31, 2024, there was no outstanding GDRs/ADRs/Warrants or any convertible instruments.

xi. During the year 2023-24, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts and options contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in the Note No. 47 to the Financial Statements.

xii. A certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this Report.

xiii. There is no such instance where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required.

xiv. Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ company of which statutory auditor is part is ₹42.99 lakhs.

xv. The Company has not given any loans and advances to firms/companies in which directors are interested.

xvi. Pursuant to Clause 5A of para A of Part A of Schedule III, there is no agreement which impacts management or control of the Company or imposes any restriction or creates any liability upon the Company.

9. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, publication to institutional investors, press releases in leading newspapers, conducting investor calls/ analyst meet and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and the Registrar of Companies. The Quarterly Financial Results are published in prominent daily newspapers viz., "Business Standard" and "Desh Sewak". The Financial Results of the Company are also made available at the Company's web-site www.vardhman.com /www.vardhmansteel.com.

GENERAL INFORMATION FOR SHAREHOLDERS

i) 14th Annual General Meeting:

Date	:	19th September, 2024
Time	:	10:00 a.m.
Venue	:	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

ii) Financial Calendar 2024-25 (Tentative):

First Quarter Results	:	July, 2024
Second Quarter Results	:	November, 2024
Third Quarter Results	:	February, 2025
Annual Results	:	May, 2025

iii) Dates of Book Closure : 7th September, 2024 to 14th September, 2024 (both days inclusive)

iv) Dividend payment date : Within 30 days after declaration

v) Listing : The securities of the Company are listed on the following Stock Exchanges: -

1. BSE Limited, Mumbai (BSE), 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.
2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai.

Listing fee, as applicable, has been duly paid to both the aforesaid Stock Exchanges.

vi) Stock Code:

- BSE Limited : 534392
- National Stock Exchange of India Limited : VSSL

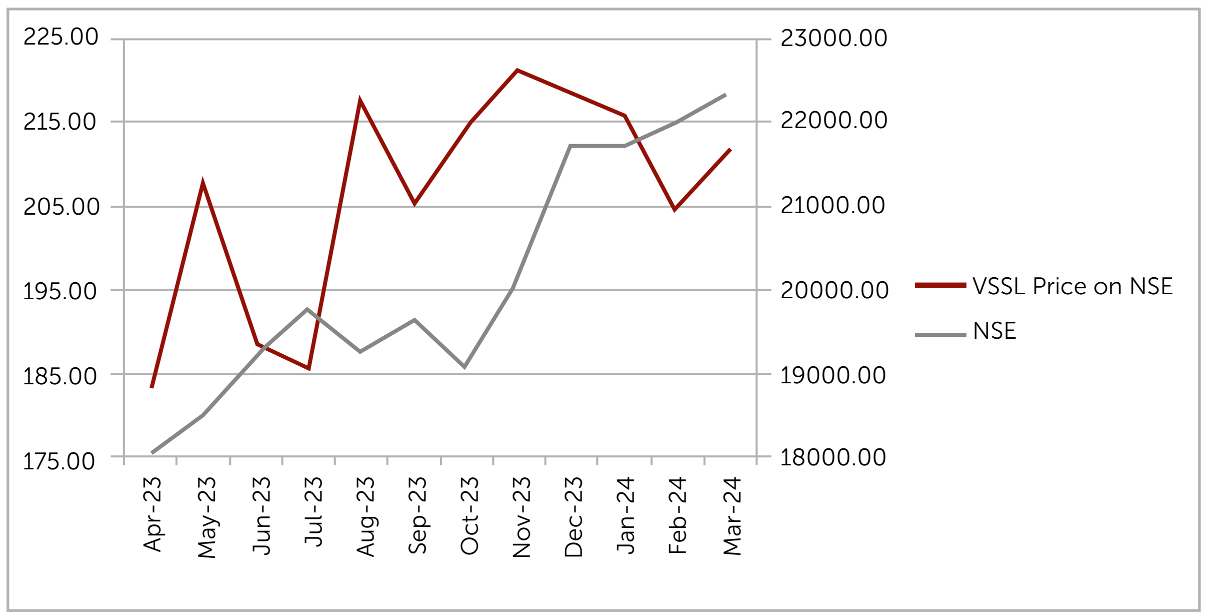
vii) Stock Market Data:

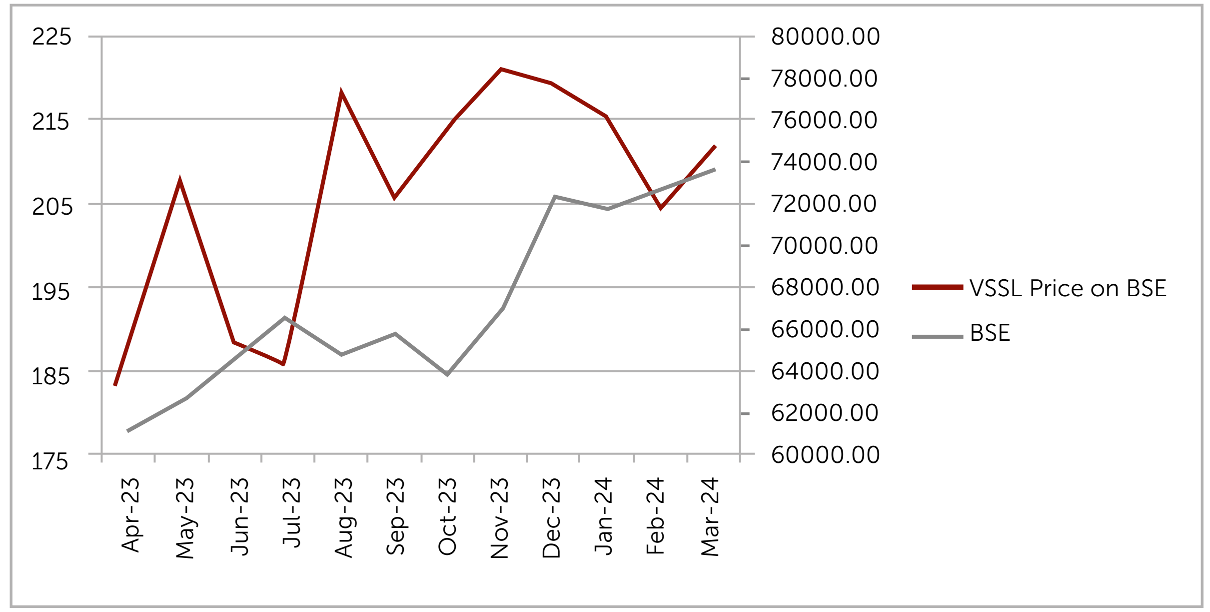
The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2023-24 is given below: -

Financial Year 2023-24	Share Prices of Vardhman Special Steels Limited on NSE				Share Prices of Vardhman Special Steels Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing
April	431.60	353.90	366.80	(7.65)	430.00	350.40	366.80	(7.99)
May	425.20	205.10	207.95	(43.31)	425.00	207.00	207.70	(43.38)
June	222.55	185.70	188.50	(9.35)	221.65	183.00	188.60	(9.20)
July	197.00	184.00	185.50	(1.59)	196.55	171.00	185.75	(1.51)
August	225.30	174.80	217.60	17.30	225.25	175.00	218.00	17.36
September	234.00	196.80	205.30	(5.65)	233.85	197.10	205.60	(5.69)
October	228.60	197.80	214.40	4.43	228.00	191.05	214.15	4.16
November	229.70	206.40	220.90	3.03	229.35	206.40	220.90	3.15
December	244.00	211.75	218.60	(1.04)	252.00	212.15	218.90	(0.91)
January	226.65	203.55	215.70	(1.33)	226.00	202.35	215.45	(1.58)
February	223.50	201.55	204.75	(5.08)	223.00	202.05	204.45	(5.11)
March	217.80	185.40	212.10	3.59	217.90	185.90	212.10	3.74

* During the month of May, 2023, the Company issued Bonus Shares in the ratio of 1:1, due to which prices of April and May are not comparable.

viii) Performance of the Company in comparison to broad-based indices:





ix) Registrar & Transfer Agent:

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Alankit Assignments Limited at the address given below: -

M/s. Alankit Assignments Limited,

(Unit: Vardhman Special Steels Limited)

205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110 055.

Phone: (011) 41540060-63, Fax: (011) 41540064, E-mail: rta@alankit.com

x) Share Transfer System:

The Members may note that SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. 1st April, 2019. Further, in terms of Regulation 39 and 40(1) of SEBI Listing Regulations, as amended from time to time, and SEBI vide its Circular dated 25th January, 2022 has made it mandatory for the listed entity to issue shares/ securities, within the prescribed time, in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities etc. Accordingly, shareholders are advised to open their demat account with any Depository Participants (DPs) having registration with SEBI.

The Company has delegated the power of approval of transfer, transmission, transposition, dematerialization and other related matters to M/s. Alankit Assignments Limited, the Registrar and Share Transfer Agent of the Company, subject to approval by the Share Transfer Committee of the Board of Directors of the Company. Further, transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company.

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

RANGE	SHAREHOLDERS		SHARES	
No. of Shares	**Numbers of Total Holders**	**% to Total Holders**	**Numbers of Shares Held**	**% to Total Shares**
Upto-500	29610	90.09	2541716	3.12
501-1000	1444	4.39	1107477	1.36
1001-2000	788	2.40	1194615	1.47
2001-3000	255	0.78	654309	0.80
3001-4000	151	0.46	546668	0.67
4001-5000	105	0.32	489584	0.60
5001-10000	242	0.74	1789916	2.20
10001- above	271	0.82	73135543	89.78
Total	**32866**	**100.00**	**81459828**	**100.00**

xii) Dematerialization of shares:

As on 31st March, 2024, 99.68% of the capital comprising 8,12,00,588 shares, out of total of 8,14,59,828 shares, was dematerialized.

xiii) Vardhman Special Steels Limited Employee Stock Option Plan:

The Company has granted Options to its eligible employees under Vardhman Special Steels Limited Employee Stock Option Plan, 2016 (hereinafter referred as ESOP Plan 2016) and Vardhman Special Steels Limited Employee Stock Option Plan, 2020 (hereinafter referred as ESOP Plan 2020).

- As per the terms of the ESOP Plan 2016, the Company can grant a maximum of 3,71,108 Options to eligible employees from time to time. One Option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan 2016.
- As per the terms of the ESOP Plan 2020, the Company can grant a maximum of 5,00,000 Options to eligible employees from time to time. One Option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan 2020.

During the financial year 2023-24, the Company has issued Bonus Shares to the existing shareholders of the Company in the ratio of 1:1. As per ESOP Plan 2016 and 2020, the employees who will exercise Options, shall also be entitled to receive Bonus Shares in the ratio of 1:1.

Now, during the financial year, 26,250 Options were exercised by the eligible employees under 2nd grant of ESOP Plan 2016 and consequently 52,500 shares (including Bonus Shares) were allotted to employees; and 76,250 Options were exercised by the eligible employees under 1st grant of ESOP Plan 2020 and consequently 1,52,500 shares (including Bonus Shares) were allotted to employees. Accordingly, the paid-up equity share capital of the Company after this allotment stood increased to ₹81,45,98,280.

Further, the Nomination and Remuneration Committee in its meeting held on 23rd July, 2022 had made a third grant of 9,000 Options under ESOP Plan 2016 to its eligible employees out of 9,437 Options lying un-granted under the ESOP Plan 2016 and a second grant of 1,25,000 Options under ESOP Plan 2020 to its eligible employees out of 2,20,500 Options lying un-granted under the ESOP Plan 2020. These Options will start vesting with the eligible employees after two years from the date of grant and they will also be entitled to Bonus Shares in the ratio of 1:1 upon exercise of Options.

xiv) Equity Shares in the Suspense Account:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2023	3*	245
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024	3	245

* The Equity Shares were credited in the Bonus Suspense Account of the Company on June 7, 2023.

The voting rights on the shares outstanding in the suspense account as on March 31, 2024, shall remain frozen till the rightful owner of such shares claims the shares.

xv) Plant Location:

Vardhman Special Steels Limited, Unit-1

C-58, Focal Point,

Ludhiana- 141 010.

xvi) Address for correspondence:

Registered office : Vardhman Premises, Chandigarh Road, Ludhiana-141010

Tel : 0161-2228943-48

E-mail : secretarial.lud@vardhman.com

(Exclusively for redressal of investors' grievances)

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

xvii) List of Credit Ratings:

The Company has obtained Credit Ratings from CRISIL Limited during the financial year 2023-24. There has been no revision in the Credit Ratings during the financial year 2023-24. List of all Credit Ratings obtained by the Company during the year are as follows:

Particulars	Rating during FY 2023-24
Long Term Bank Facilities	CRISIL AA/Stable
Short Term Bank Facilities	CRISIL A1+
Commercial Papers	CRISIL A1+

VICE-CHAIRMAN & MANAGING DIRECTOR'S DECLARATION

A. I, Sachit Jain, Vice-Chairman & Managing Director of Vardhman Special Steels Limited declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2024.

Place: Ludhiana
Dated: 1st May, 2024

Sachit Jain
Vice-Chairman & Managing Director

B. I, Sachit Jain, Vice-Chairman & Managing Director of Vardhman Special Steels Limited, on behalf of the Board of Directors of the Company, hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

Place: Ludhiana
Dated: 1st May, 2024

Sachit Jain
Vice-Chairman & Managing Director

CERTIFICATE FROM PRACTISING COMPANY SECRETARIES

This is to certify that on the basis of documents verified by us and explanations given to us by the Company, we hereby certify that none of the following directors on the Board of Vardhman Special Steels Limited ('the Company') have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any other Statutory Authority:

Sr. No.	Director Identification Number	Name of Director
1.	00241501	Mr. Rajeev Gupta
2.	00746409	Mr. Sachit Jain
3.	00619240	Mr. Rajendar Kumar Rewari
4.	10254459	Ms. Soumya Jain
5.	00746471	Mrs. Suchita Jain
6.	00046541	Mr. Rajinder Kumar Jain
7.	09654963	Mr. Toshio Ito
8.	00020425	Mr. Rakesh Jain
9.	00059480	Mr. Sanjoy Bhattacharyya
10.	00057760	Mr. Raghav Chandra
11.	00734061	Mr. Suman Chatterjee
12.	00274831	Mrs. Vidya Shah

This certificate is issued pursuant to Clause 10 (i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Ashok K Singla & Associates**
Company Secretaries,
Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004F000283219

Place: Ludhiana
Date: 1st May, 2024

PRACTISING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Vardhman Special Steels Limited

CIN : L27100PB2010PLC033930
Nominal Capital : ₹1,00,00,00,000

We have examined relevant records of M/s Vardhman Special Steels Limited (the company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31st March 2024 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedure and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended 31st March 2024 as stipulated in the Listing Regulations.

This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Harsh Goyal & Associates**
Company Secretaries
Sd/-
Harsh Kumar Goyal
Proprietor
FCS:3314
CP:2802
UDIN: F003314F000283541

Place: Ludhiana
Date: 1st May, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Vardhman Special Steels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vardhman Special Steels Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

See Note 2(o)(i) and 29 to the financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods is recognized when control in goods is transferred to the customer and is measured net of discounts and returns. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. We focused on this area since there is a risk that revenue may be overstated because of fraud, resulting due to the pressure from Management and Board of Directors who may strive to achieve performance targets. Also, revenue is a key performance indicator for the Company which makes it susceptible to misstatement because the timing of revenue recognition requires exercise of judgement. In view of the above, we have identified risk of fraud in revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence. ● We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards; ● We evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions (using random sampling); ● We performed testing by selecting samples (using statistical sampling) of revenue transactions recorded for the year. For such samples, verified the underlying documents, including invoices, good ·dispatch notes, customer acceptances and shipping documents (as applicable), to assess whether these are recognized in the appropriate period in which control is transferred; ● We carried out analytical procedures on revenue recognized during the year to identify unusual variances; ● We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; ● We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions with respect to discounts, returns and unbilled revenue to assess whether these have been appropriately accounted and disclosed in the financial statements; ● We tested sample journal entries for revenue, selected based on specified risk-based criteria to identify unusual items; ● Assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and auditor's report thereon.

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

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

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   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 flows dealt with by this Report are in agreement with the 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 of the Company as on 31 March 2024 and 18 April 2024 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 40 to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50 (v) to the financial statements, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50 (vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the 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 (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 48.2 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used accounting softwares' for maintaining its books of account which have a feature of recording audit trail (edit log) facility. The feature of recording audit trail (edit log) facility for the said accounting softwares' has not operated throughout the year as it was enabled by the Company in a phased manner from 21 February 2024 for certain tables/ fields relating to revenue, trade receivables, purchases, trade payables, inventory, general ledger and other allied areas of the accounting softwares' except for certain tables relating to financial reporting, property, plant & equipment and payroll where the same was enabled from 1 April 2023. The feature of recording audit trail facility for the above has been operating for the period since when the same has been enabled for all relevant transactions recorded in the softwares'. Further, the feature of recording audit trail (edit log) facility was not enabled at the application layer for the period from 1 April 2023 to 31 March 2024 for certain remaining tables/ fields relating to revenue, trade receivables, purchases, payroll, trade payables, inventory, general ledger and other allied areas of the accounting softwares' and was also not enabled at the database layers to log any direct data changes for the accounting softwares' used for maintaining the books of account. For the period where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with during the course of our audit for one of the accounting software and are unable to test the same for the other accounting software due to certain system inherent limitations.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN:24507857BKFUPT5477

Place: Chandigarh
Date: 01 May 2024

ANNEXURE A to the Independent Auditor's Report on the Financial Statements of Vardhman Special Steels Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (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 particulars of intangible assets.

(i) (b) 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 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 discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

(All amounts are in INR Lakhs)

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Ludhiana C-59 Land	1,806.56	M/s Majestic Auto Limited	No	Since - 24 August 2023	Refer note below.

Note - The property constituting 33,489 sq. yards amounting INR 1806.56 lakhs, capitalized in property, plant and equipment, is not held in name of Company due to pending approval of bifurcation of land from Greater Ludhiana Area Development Authority (GLADA). Additional land aggregating to 9,289 sq. yards amounting INR 693.44 lakhs is disclosed as assets held for sale for which Company has also entered into agreement for sale with another party and will affect the same post approval from GLADA.

(d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations 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 Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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 verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (INR Lakhs)	Amount as reported in the quarterly return/ statement (INR Lakhs)	Amount of difference (INR Lakhs)	Whether return/ statement subsequently rectified
Quarter ended 30 June 2023	ICICI Bank	Trade Receivables	27,198.00	26,795.04	402.96	Yes, the Company has subsequently revised the statements on 27 April 2024
Quarter ended 30 September 2023	ICICI Bank	Trade Receivables	26,859.87	26,838.82	21.05	

(iii) 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 made any investment in Companies, firms and limited liability partnership or provided guarantee and security or granted any advances in the nature of loans (secured or unsecured) to companies, firms, limited liability partnership or any other parties. The Company has made investments with other parties and granted loans to its employees during the year. The requisite information on loans to employees is stated in paragraph iii (a) below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

(Amount in ₹ Lakhs)

Particulars	Interest bearing loans to employees	Non-interest bearing loans to employees
Aggregate amount during the year to employees	37.25	237.31
Balance outstanding as at balance sheet date with employees	260.20	179.10

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year and loans granted during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantees, given security or granted advances in the nature of loan during the year.

(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 and payment of interest has been stipulated and the repayments or receipts have been regular. Payment of interest was not stipulated in case of non-interest bearing loans to employees as per approved policy of the Company. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) 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 overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) 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 made investments nor has it given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

(All Amounts are in INR Lakhs)

Name of the statute	Nature of the dues	Amount*	Amount Paid under protest*	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax	1,960.00	1,900.00	2011-12 2012-13, 2013-14	High Court Punjab & Haryana-Chandigarh
CGST Act 2017	GST	6.90	6.90	2017-18	Pending for hearing before Assistant /Deputy Commissioner of Goods & Service Tax Range I Division East Ludhiana

*amount as per demand orders is including interest and penalty, wherever indicated in order

(viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) 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 defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) 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 been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the year.

(b) According to the information and explanations 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 Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 50 (xii) to the financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the 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) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

(Amount in ₹ Lakh)

Financial Year	Amount unspent on corporate social responsibility activities for "On-going Projects"	Amount transferred to Special Account within 30 days from the end of the Financial Year	Amount transferred after the due date (specify the date of transfer)
2023-24	70.60	70.60	-

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN:24507857BKFUPT5477

Place: Chandigarh
Date: 01 May 2024

ANNEXURE B to the Independent Auditor's Report on the financial statements of Vardhman Special Steels Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Vardhman Special Steels Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN:24507857BKFUPT5477

Place: Chandigarh
Date: 01 May 2024

BALANCE SHEET as at 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	32,410.41	29,296.32
(b) Right-of-use assets	4	55.53	71.79
(c) Capital work-in-progress	3	99.28	1,191.04
(d) Intangible assets	5	3.76	4.31
(e) Financial assets			
- Loans	6	266.22	281.99
- Other financial assets	7	281.54	269.04
(f) Non-current tax asset (net)	8	23.20	48.44
(g) Other non-current assets	9	3,398.76	2,026.30
Total non-current assets		**36,538.70**	**33,189.23**
Current assets			
(a) Inventories	10	35,617.24	36,267.99
(b) Financial assets			
- Investments	11	-	2,000.31
- Trade receivables	12	26,217.41	26,154.59
- Cash and cash equivalents	13	764.03	953.50
- Bank balances other than cash and cash equivalents	14	12.02	7.65
- Loans	6	172.42	150.96
- Other financial assets	15	2,237.09	1,993.19
(c) Other current assets	16	1,714.54	2,334.46
		66,734.75	**69,862.65**
(d) Assets held-for-sale	16(a)	693.44	-
Total current assets		**67,428.19**	**69,862.65**
TOTAL ASSETS		**1,03,966.89**	**1,03,051.88**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	8,145.98	4,062.74
(b) Other equity	18	63,789.48	60,158.66
Total equity		**71,935.46**	**64,221.40**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
- Borrowings	19	1,409.86	4,402.53
- Lease liabilities	20	57.57	76.53
- Other financial liabilities	21	24.98	15.36
(b) Provisions	22	195.01	194.41
(c) Deferred tax Liabilities (net)	23	1,978.10	2,008.66
(d) Other non-current liabilities	24	43.47	47.50
Total non-current liabilities		**3,708.99**	**6,744.99**
Current liabilities			
(a) Financial liabilities			
- Borrowings	19	6,884.19	9,889.59
- Lease liabilities	20	18.97	16.28
- Trade payables:	25		
(i) Total outstanding dues of micro enterprises and small enterprises; and		927.68	463.73
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		16,521.21	18,092.42
- Other financial liabilities	26	2,457.09	2,245.19
(b) Other current liabilities	27	1,349.27	1,223.39
(c) Provisions	22	143.23	103.83
(d) Current tax liabilities (net)	28	20.80	51.06
Total current liabilities		**28,322.44**	**32,085.49**
TOTAL EQUITY AND LIABILITIES		**1,03,966.89**	**1,03,051.88**

Material accounting policies	2
Notes to financial statements	3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership number: 507857

Place: Chandigarh
Date: 1 May 2024

For and on behalf of Board of Directors of
Vardhman Special Steels Limited

Sachit Jain
Vice Chairman & Managing Director
DIN : 00746409

R. K. Rewari
Executive Director
DIN : 00619240

Sanjeev Singla
Chief Financial Officer

Sonam Dhingra
Company Secretary

Place: Ludhiana
Date: 1 May 2024

STATEMENT OF PROFIT AND LOSS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

	Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
I.	Revenue from operations	29	1,66,135.93	1,73,499.11
II.	Other income	30	2,982.35	3,875.39
III.	**Total income (I + II)**		**1,69,118.28**	**1,77,374.50**
IV.	**Expenses**:			
	Cost of materials consumed	31	1,03,062.35	1,14,646.94
	Purchases of stock-in-trade	32	141.41	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(2,041.02)	(3,732.79)
	Employee benefits expense	34	9,620.56	8,994.89
	Finance costs	35	1,842.09	1,765.35
	Depreciation and amortization expense	36	3,098.37	2,812.16
	Other expenses	37	41,108.74	39,457.38
	Total expenses		**1,56,832.50**	**1,63,943.93**
V.	**Profit before income tax (III-IV)**		**12,285.78**	**13,430.57**
VI.	**Income tax expense:**			
	Current tax	38	3,153.54	3,462.45
	Deferred tax		(30.56)	(76.66)
	Total income tax expense		**3,122.98**	**3,385.79**
VII.	**Profit for the year (V-VI)**		**9,162.80**	**10,044.78**
VIII.	**Other Comprehensive Income/(expense)**			
	Items that will not be reclassified subsequently to profit or loss			
	- Remeasurement of the net defined benefit liability /(asset)		23.55	(27.91)
	Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of the net defined benefit liability / (asset)		(5.93)	-
	Other comprehensive Income/(expense) for the year (net of income tax)		**17.62**	**(27.91)**
IX.	**Total comprehensive income for the year (VII+VIII)**		**9,180.42**	**10,016.87**
	Earnings per equity share [nominal value of ₹ 10 (previous year ₹ 10)]			
	Basic (₹)	39	**11.26**	**12.35**
	Diluted (₹)	39	**11.19**	**12.31**

Material accounting policies	2
Notes to financial statements	3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership number: 507857

Place: Chandigarh
Date: 1 May 2024

For and on behalf of Board of Directors of
Vardhman Special Steels Limited

Sachit Jain
Vice Chairman & Managing Director
DIN : 00746409

R. K. Rewari
Executive Director
DIN : 00619240

Sanjeev Singla
Chief Financial Officer

Sonam Dhingra
Company Secretary

Place: Ludhiana
Date: 1 May 2024

STATEMENT OF CHANGES IN EQUITY for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

a. Equity share capital (Note -17)

	Number of Shares	Amount
Balance as at 1 April 2022	**4,05,61,164.00**	**4,056.12**
Add: Issue of equity share under employee Stock option plan (Refer note 43.4)	66,250.00	6.62
Balance as at 31 March 2023	**4,06,27,414.00**	**4,062.74**
Add: Issue of Bonus share issued during the year (Refer note 17.4)	4,07,29,914.00	4,072.99
Add: Issue of equity share under employee Stock option plan (Refer note 43.4)	1,02,500.00	10.25
Balance as at 31 March 2024	**8,14,59,828.00**	**8,145.98**

b. Other Equity

Particulars	Reserve & Surplus				Total
	Securities Premium (refer note 18)	General Reserve (refer note 18)	Share Options Outstanding Account (refer note 18)	Retained Earnings (refer note 18)	
Balance as at 1 April 2022	**14,518.99**	**13,890.62**	**63.90**	**22,966.41**	**51,439.92**
Total comprehensive income for the year ended 31 March 2023					
Profit for the year	-	-	-	10,044.78	10,044.78
Other comprehensive expense (net of tax)	-	-	-	(27.91)	(27.91)
Total comprehensive income for the year	**-**	**-**	**-**	**10,016.87**	**10,016.87**
Transactions with owners of the Company					
Contributions and distributions					
Final equity dividend for the financial year 2021-2022 (Amount ₹3.50 per share)	-	-	-	(1,419.65)	(1,419.65)
Share based payment expense	-	-	80.45	-	80.45
Share option exercised	61.08	-	(20.01)	-	41.07
Total Contributions and distributions for the year	**61.08**	**-**	**60.44**	**(1,419.65)**	**(1,298.13)**
Balance as at 31 March 2023	**14,580.07**	**13,890.62**	**124.34**	**31,563.63**	**60,158.66**
Total comprehensive income for the year ended 31 March 2024					
Profit for the year	-	-	-	9,162.80	9,162.80
Other comprehensive income / (expense) (net of tax)	-	-	-	17.62	17.62
Total comprehensive income/(expense) for the year	**-**	**-**		**9,180.42**	**9,180.42**
Transactions with owners of the Company					
Contributions and distributions					
Final equity dividend for the financial year 2022-2023 (Amount ₹2 per share)	-	-	-	(1,625.10)	(1,625.10)
Share based payment expense	-	-	84.93	-	84.93
Issue of bonus equity shares (1:1 Ratio)	(4,072.99)	-	-	-	(4,072.99)
Share option exercised	97.08	-	(33.52)	-	63.56
Total Contributions and distributions for the year	**(3,975.91)**	**-**	**51.41**	**(1,625.10)**	**(5,549.60)**
Balance as at 31 March 2024	**10,604.16**	**13,890.62**	**175.75**	**39,118.95**	**63,789.48**
Material accounting policies	2				
Notes to financial statements	3-51				

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership number: 507857

Place: Chandigarh
Date: 1 May 2024

For and on behalf of Board of Directors of
Vardhman Special Steels Limited

Sachit Jain
Vice Chairman & Managing Director
DIN : 00746409

R. K. Rewari
Executive Director
DIN : 00619240

Sanjeev Singla
Chief Financial Officer
Place: Ludhiana
Date: 1 May 2024

Sonam Dhingra
Company Secretary

STATEMENT OF CASH FLOWS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A	**Cash flow from operating activities**		
	Profit before income tax	**12,285.78**	**13,430.57**
	Adjustments for:		
	Depreciation and amortization expense	3,098.37	2,812.16
	Change in fair value of derivative financial instruments	140.31	(104.64)
	Unrealized foreign exchange (gain) (net)	(39.52)	(89.72)
	Loss on sale/written of property, plant and equipment (net)	26.66	1.27
	Share based payments to employees	84.93	80.45
	Vendor Balances written off	13.40	3.11
	Expected credit loss allowances for doubtful trade receivables	-	18.83
	Finance costs	1,842.09	1,765.35
	Interest income	(148.51)	(127.84)
	Gain on sale of current investments	(217.93)	(14.19)
	Liabilities no longer required written back	(28.48)	(2.25)
	Operating profit before change in following assets and liabilities	**17,057.10**	**17,773.10**
	Adjustments for:		
	Decrease/(increase) in inventories	650.75	(5,835.79)
	(Increase) in trade receivables	(62.37)	(3,981.27)
	Decrease/(increase) in current loans	(21.46)	0.75
	(Increase) in other financial current assets	(284.41)	(1,889.42)
	Decrease in other current assets	619.06	1,272.49
	Decrease in non-current loans	15.77	9.93
	(Increase) in other financial assets	-	(12.50)
	(Increase) in other non-current assets	(217.31)	(451.99)
	Increase in non-current provisions	0.60	13.44
	(Decrease)/increase in other non-current liabilities	(4.03)	1.30
	(Decrease)/increase in trade payables	(1,054.79)	3,884.47
	Increase in other financial current liabilities	507.69	44.08
	Increase in other financial liabilities	9.62	4.41
	Increase in other current liabilities	125.88	324.57
	Increase in current provisions	62.95	48.86
	Cash generated from operating activities	**17,405.05**	**11,206.43**
	Income tax paid (net)	(3,164.44)	(3,848.88)
	Net cash generated from operating activities (A)	**14,240.61**	**7,357.55**
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment and intangible assets	(6,796.33)	(2,878.86)
	Proceeds from sale of property, plant and equipment and intangible assets	125.88	56.02
	Cost incurred towards assets held for sale	(693.44)	-
	Movement in other bank balances	(4.38)	(5.12)
	Decrease in deposits with original maturity of more than 12 months	-	1,568.00
	Acquisition of current investments	(38,400.00)	(446.12)
	Relisation of current investments	40,617.93	-
	Interest received	136.01	222.60
	Net cash (used in) investing activities (B)	**(5,014.33)**	**(1,483.48)**

STATEMENT OF CASH FLOWS (CONTD.) for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
C	**Cash flow from financing activities**		
	Proceeds from issue of share capital (including premium)	73.81	47.69
	Repayments of non-current borrowings	(2,760.00)	(4,520.45)
	Payment of Lease liabilities (Including Interest)	(23.69)	(22.57)
	Proceeds/(repayments) of current borrowing (net)	(3,246.40)	2,713.16
	Dividends on equity share capital paid	(1,620.72)	(1,414.52)
	Interest paid	(1,838.75)	(1,750.98)
	Net cash (used in) financing activities (C)	**(9,415.75)**	**(4,947.67)**
	Net increase in cash and cash equivalents (A+B+C)	(189.47)	926.40
	Cash and cash equivalents at the beginning of the year (see below)	953.50	27.10
	Cash and cash equivalents at the end of the year (see below)	**764.03**	**953.50**
	Notes:		
	1. Cash and cash equivalents include:		
	Balance with banks		
	- in current accounts	763.49	952.60
	Cash on hand	0.54	0.90
		764.03	**953.50**

2. The above Statement of Cash Flows has been prepared in accordance with Indirect Method as set out in the applicable Indian Accounting Standard - 7 on Statement of Cash Flow. (refer to note 2 (w))
3. Refer note 19.4 and 20.5 for reconciliation of movements, in borrowings and lease liabilities respectively, to cash flows arising from financing activities.
4. During the current year, the Company paid in cash ₹191.25 (31 March 2023 - ₹122.94) towards corporate social responsibility (CSR) expenditure, included in corporate social responsibility expenditure - (refer note 45.2)

Significant accounting policies	**2**
Notes to financial statements	**3-51**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership number: 507857

Place: Chandigarh
Date: 1 May 2024

For and on behalf of Board of Directors of
Vardhman Special Steels Limited

Sachit Jain
Vice Chairman & Managing Director
DIN : 00746409

R. K. Rewari
Executive Director
DIN : 00619240

Sanjeev Singla
Chief Financial Officer

Sonam Dhingra
Company Secretary

Place: Ludhiana
Date: 1 May 2024

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

1. Reporting entity

Vardhman Special Steels Limited ('the Company'), is a public limited company incorporated under the provisions of the Companies Act, 1956 on 14 May 2010 having its registered office at Vardhman Premises, Chandigarh Road, Ludhiana - 141010. The equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited. The Company's business primarily consists of manufacturing of Billets, Steel bars and Bright bars of various categories of special and alloy steels.

2. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

i) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, "the Act" and other relevant provisions of the Act as amended from time to time.

ii) Effective 01 April 2015, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected certain exemptions which are listed as below:

- The Company had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the financial statements prepared under previous GAAP and use the same as deemed cost in the financial statement as at the transition date.
- The Company had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of facts and circumstances existing at the date of transition, except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement.

The financial statements of the Company for the year ended 31 March 2024 were approved by the Company's Board of Directors on 1 May 2024.

iii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, up to two places of decimal, unless otherwise indicated.

iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Derivative financial instruments	Fair value
Net defined benefits (assets)/liabilities	Fair value of the plan assets less present value of defined benefits obligations

v) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has established policies and procedures with respect to the measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

— **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

— **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

— **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in note 46- Financial instruments.

vi) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

vii) Use of estimates and judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that impact the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2(o)(i) and 29 – revenue recognition: whether revenue is recognized over time or at a point in time; determining the transaction price, estimating the expected value of right to return
- Note 2(h) and 20 – lease term: whether the Company is reasonably certain to exercise extension options

Assumptions and estimation uncertainties

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(a)(v) – Fair value measurement
- Note 2(d) and 3 – Assessment of useful life of Property, plant and equipment
- Note 2(e) and 5 – Assessment of useful life of Intangible assets
- Note 2(h) and 20 – leases classification and assessment of discount rate in relation to lease accounting as per Ind AS 116
- Note 2(i) – Valuation of inventories
- Note 2(q) – Accounting for Government grant
- Note 2(l), 2(m) and 40 – Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(r), 8, 23 and 38 – Recognition of tax expense including deferred tax
- Note 2(j) – Impairment of financial assets
- Note 2(j) – Impairment test of non-financial assets: key assumptions underlying recoverable amounts and
- Note 2(k) and 43 – Measurement of defined benefit obligations: key actuarial assumptions; Share based Payments
- Note 2(o)(i) and 29 – Revenue recognition: estimate of expected returns

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

b) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

c) 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.

Financial assets

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component which is initially measured at transaction price) or financial liability is recognized initially at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as - measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI) – debt investment;

- fair value through other comprehensive income (FVOCI) – equity investment, or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; 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.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024
(All amounts are in ₹ lakhs except for share data)

associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(All amounts are in ₹ lakhs except for share data)

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contact is entered into and are subsequently re-measured at fair value, and changes therein are generally recognized in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liability when the fair value is negative

d) Property, plant and equipment ('PPE')

Recognition and measurement

Property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment, if any.

The Cost of an item of Property, Plant and equipment comprises:

- its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- any cost directly attributable to bringing the asset to the location and the working condition for its intended use and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- financing cost related to borrowed funds attributable to the construction or acquisition of qualifying assets upto the date of the assets are ready for use.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if 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.

Freehold land is carried at historical cost less any accumulated impairment losses.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Subsequent expenditure

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred.

Depreciation

Depreciation is calculated on cost of items of PPE (excluding freehold land) less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss. Freehold land is not depreciated.

Depreciation on items of property, plant and equipment is provided as per the rates corresponding to the useful life specific in Schedule II of the Companies Act, 2013 read with notification dated 29 August 2014 of Ministry of Corporate Affairs as follows:

Assets	Useful life as per Schedule II (Years)	Management estimate of useful life (Years)
Building - Factory	30	30
Building – Office	60	60
Building- Roads, Tubewell and temporary shed	3-10	3-10
Plant and equipment	15 - 20	15 - 25
Furniture and fixtures	10	10
Vehicles	8-10	8-10
Office equipments	3 – 6	3 – 6

Significant components of assets and their useful life and depreciation charge is based on an internal technical evaluation. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

A property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

e) Other Intangible Assets

Acquired Intangible

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expense in Statement of Profit and Loss. The estimated useful life of Computer software is 5 years.

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal.

f) Non-current assets held for sale

Non-current assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less cost to sell, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held-for sale, property, plant and equipment, and intangible assets are no longer amortised or depreciated.

g) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

h) Leases

As lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. Accordingly, there was no adjustment in the opening balance of retained earnings as on 1 April 2019.

The Company elected to use the following practical expedients on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

i) Inventories

Inventories are measured at the lower of cost and net realizable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials, Stores and spares	Weighted average method
Traded goods	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average cost and includes an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

j) Impairment

Impairment of financial asset

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit – impaired includes the following observable data:

- significant financial difficulty of the debtor, borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

  The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses, if any, are recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024
(All amounts are in ₹ lakhs except for share data)

In regard to assets for which impairment loss has been recognised in prior period, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share- based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

When the terms of an equity-settled award are modified, the minimum expense recognised by the Company is the grant date fair value of the unmodified award, provided the vesting conditions (other than a market condition) specified on grant date of the award are met.

Further, additional expense, if any, is measured and recognised as at the date of modification, in case such modification increases the total fair value of the share-based payment plan, or is otherwise beneficial to the employee.

Post-employment benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the VSSL gratuity fund trust. The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirement.

"Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI."

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and loss during the period in which the employee renders the related service.

Compensated absences

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Such obligation such as those related to compensate absences is measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

l) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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 the obligation.

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

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. Expected future losses are not provided for.

Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

m) Contingent liabilities and contingent assets

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

n) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

o) (i) Revenue from contract with customers

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024
(All amounts are in ₹ lakhs except for share data)

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognized when billings are in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as cash discount, trade discount, and rebate. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

Revenue Recognition

The Company recognises revenue generally at the point in time when the products are delivered or dispatch to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

(ii) Export Incentives

Export incentives under various schemes notified by the government are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

(iii) Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

p) Government grant

Government grants in the form of transfers of resources to the Company in return for past compliance with certain conditions relating to the operating activities of the Company are recognized as other income in profit or loss.

Government grants related to capital assets are recognized initially as deferred income at fair value or deducted from the carrying value of the asset when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis or depreciated over the remaining useful life of the asset, respectively.

Further, Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which such expenses are recognised.

q) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

a) the gross carrying amount of the financial asset; or

b) the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

r) Income taxes

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current tax

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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses (if any) and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are recognised to the extent that it is probable that the related tax benefits will be realized. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefits will be realized.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted the new tax regime from 1 April 2022.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

s) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

t) Royalty

Payment of technical know-how in the form of royalty for providing technical assistance is being accounted for on accrual basis as per the agreement between the parties.

u) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

v) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

w) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

x) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period 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.

y) Asset held for sale

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Such assets or group of assets / liabilities are presented separately in the Balance Sheet, in the line "Assets held for sale" and "Liabilities held for sale" respectively. Once classified as held for sale, intangible assets and PPE are no longer amortised or depreciated.

Such assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell."

z) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

3 Property, plant and equipment and Capital work-in-progress

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amounts							
Balance as at 1 April 2023	**3,582.33**	**5,547.58**	**37,807.26**	**136.09**	**540.17**	**450.95**	**48,064.38**
Additions	1,933.02	162.24	3,823.14	40.33	298.78	88.18	6,345.69
Disposals	-	(3.23)	(63.41)		(233.03)		(299.67)
Balance as at 31 March 2024	**5,515.35**	**5,706.59**	**41,566.99**	**176.42**	**605.92**	**539.13**	**54,110.40**
Balance as at 1 April 2022	**3,402.33**	**5,411.78**	**35,073.18**	**132.22**	**401.42**	**388.74**	**44,809.67**
Additions	180.00	135.80	2,778.89	3.87	162.82	62.21	3,323.59
Disposals	-	-	(44.81)	-	(24.07)	-	(68.88)
Balance as at 31 March 2023	**3,582.33**	**5,547.58**	**37,807.26**	**136.09**	**540.17**	**450.95**	**48,064.38**
Accumulated depreciation							
Balance as at 1 April 2023	**-**	**1,886.94**	**16,263.44**	**75.97**	**212.19**	**329.52**	**18,768.06**
Depreciation for the year	-	197.49	2,758.63	12.69	67.40	42.85	3,079.06
Disposals	-	(1.53)	(33.62)	-	(111.98)		(147.13)
Balance as at 31 March 2024	**-**	**2,082.90**	**18,988.45**	**88.66**	**167.61**	**372.37**	**21,699.99**
Balance as at 1 April 2022	**-**	**1,686.75**	**13,781.10**	**64.21**	**168.08**	**287.78**	**15,987.92**
Depreciation for the year	-	200.19	2,485.54	11.76	52.51	41.74	2,791.74
Disposals	-	-	(3.20)	-	(8.40)	-	(11.60)
Balance as at 31 March 2023	**-**	**1,886.94**	**16,263.44**	**75.97**	**212.19**	**329.52**	**18,768.06**
Net carrying amounts							
As at 31 March 2024	**5,515.35**	**3,623.69**	**22,578.54**	**87.76**	**438.31**	**166.76**	**32,410.41**
As at 31 March 2023	**3,582.33**	**3,660.64**	**21,543.82**	**60.12**	**327.98**	**121.43**	**29,296.32**

Notes:

A. Refer note 19 for information on property, plant and equipment pledged as security by the Company.

B. Refer note 40.2 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

C. Capital work in progress

	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Total
Balance as at 1 April 2023	**86.64**	**1,092.18**	**2.92**	**9.30**	**1,191.04**
Additions	75.60	2,734.83	31.29	46.69	2,888.41
Capitalisations	(162.24)	(3,727.73)	(34.21)	(55.99)	(3,980.17)
Balance as at 31 March 2024	**-**	**99.28**	**-**	**-**	**99.28**
Balance as at 1 April 2022	**72.08**	**1,203.88**	**-**	**11.87**	**1,287.83**
Additions	150.36	2,592.16	6.02	37.48	2,786.02
Capitalisations	(135.80)	(2,703.86)	(3.10)	(40.05)	(2,882.81)
Balance as at 31 March 2023	**86.64**	**1,092.18**	**2.92**	**9.30**	**1,191.04**

D. Capital work in progress (CWIP) ageing schedule

As at 31 March 2024	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	99.28	-	-	-	99.28
Projects temporarily suspended	-	-	-	-	-
Total	**99.28**	**-**	**-**	**-**	**99.28**

As at 31 March 2023	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	1,139.49	51.55	-	-	1,191.04
Projects temporarily suspended	-	-	-	-	-
Total	**1,139.49**	**51.55**	**-**	**-**	**1,191.04**

E. Capital work in progress (CWIP) completion schedule

-For capital-work-in progress, whose completion is overdue to its original plan:-

As at 31 March 2024

There is no such capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

As at 31 March 2023	To be completed in				
CWIP: Whose completion is overdue	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress					
Natural Gas Supply Project *	44.52	-	-	-	44.52
Series reactors for 66 KVA**	7.03	-	-	-	7.03
Projects temporarily suspended	-	-	-	-	-
	51.55	**-**	**-**	**-**	**51.55**

* ₹44.52 towards laying of internal pipeline for supply of gas shall be operational with the start of piped supply of natural gas from GAIL. This project got delayed as result of delay in getting certain statutory permissions. The same was completed and capitilised in FY 2023-24.

** ₹7.03 towards purchase of series reactors, to be commissioned by December 2023. The same was completed and capitilised in FY 2023-24.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

4 Right-of-use assets

Following are the changes in the carrying value of right of use assets

Particulars	Category of ROU asset- Building	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance as at beginning of the year	71.79	86.24
Impact of lease modification	-	1.81
Depreciation for the year	(16.26)	(16.26)
Balance as at end of the year	**55.53**	**71.79**

Notes:

a) The Company incurred ₹116.54 (Previous year: ₹110.34) during the current year towards expenses relating to short-term leases for which the recognition exemption has been applied (refer note 37).

b) The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss.

5 Intangible assets

Gross carrying amount

	Computer Softwares	Total
Balance as at 1 April 2023	**32.08**	**32.08**
Additions	2.50	2.50
Disposals	-	-
Balance as at 31 March 2024	**34.58**	**34.58**
Balance as at 1 April 2022	**32.08**	**32.08**
Additions	-	-
Disposals	-	-
Balance as at 31 March 2023	**32.08**	**32.08**
Accumulated amortisation		
Balance as at 1 April 2023	**27.77**	**27.77**
Amortisation for the year	3.05	3.05
Disposals	-	-
Balance as at 31 March 2024	**30.82**	**30.82**
Balance as at 1 April 2022	**23.61**	**23.61**
Amortisation for the year	4.16	4.16
Disposals	-	-
Balance as at 31 March 2023	**27.77**	**27.77**
Net carrying amount		
As at 31 March 2024	**3.76**	**3.76**
As at 31 March 2023	**4.31**	**4.31**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

6 Loans

Non-Current (unsecured considered good, unless otherwise stated)	As at 31 March 2024	As at 31 March 2023
Financial assets at amortized cost		
Loans to employees	266.22	281.99
	266.22	**281.99**

Current (unsecured considered good, unless otherwise stated)	As at 31 March 2024	As at 31 March 2023
Financial assets at amortized cost		
Loans to employees	172.42	150.96
	172.42	**150.96**

7 Other financial assets

(Unsecured, considered good, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Non-current		
- Security deposit	250.00	250.00
Interest accrued		
- interest accrued on non-current security deposit	31.54	19.04
	281.54	**269.04**

8 Income tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Non-current		
Advance income tax and tax deducted at source {net of provision of ₹9,276.21 (31 March 2023: ₹5,813.76)}	23.20	48.44
	23.20	**48.44**

9 Other non-current assets

(unsecured considered good, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Capital advances	1,590.48	435.33
Advances other than capital advances:		
-Security deposits	1,681.05	1,438.81
-Prepaid expenses	23.96	16.03
-Amount paid under protest to government authorities	103.27	136.13
	3,398.76	**2,026.30**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

10 Inventories
(at lower of cost and net realizable value)

	As at 31 March 2024	As at 31 March 2023
Raw materials	4,547.70	7,578.70
Raw material in transit	990.13	351.59
Stores and spares	2,199.14	2,385.86
Stores and spares in transit	141.97	254.56
Work-in-progress	8,441.64	7,036.87
Finished goods - manufactured #*	19,296.66	18,660.41
	35,617.24	**36,267.99**

includes stock lying with third party amounting to ₹3,875.91 (Previous year : ₹3,283.27) and stock in transit ₹1,437.35 (Previous year : ₹961.29)
* includes stock-in-trade of ₹18.25 (Previous year : ₹ Nil)

11 Investments (Current)

	As at 31 March 2024	As at 31 March 2023
Quoted debt securities		
Securities at fair value through profit and loss		
Nil (31 March 2023: 55,814.253) units of SBI overnight fund direct growth	-	2,000.31
	-	**2,000.31**
Aggregate value of un-quoted Investments	-	-
Aggregate book value of quoted investments	-	2,000.31
Aggregate market value of quoted investments	-	2,000.31
Aggregate amount of impairment in value of investments	**-**	**-**

12 Trade receivables
(Unsecured, considered good, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Trade receivables	26,610.22	26,557.39
Less: Loss allowance	392.81	402.80
	26,217.41	**26,154.59**

Break-up of security details	As at 31 March 2024	As at 31 March 2023
Trade receivable considered good - secured	-	-
Trade receivables considered good - unsecured	26,610.22	26,557.39
Trade receivables which have significant increase in Credit risk	-	-
Trade Receivables – credit impaired	-	-
Total	**26,610.22**	**26,557.39**
Less: Expected credit loss allowance		
-Trade receivable considered good - secured	-	-
-Trade receivables considered good - unsecured	(392.81)	(402.80)
-Trade receivables which have significant increase in Credit risk	-	-
-Trade Receivables – credit impaired	-	-
Total trade receivables	**26,217.41**	**26,154.59**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Trade receivable ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment									
	Unbilled	Not Due	< 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	570.57	19,356.94	6,314.45	59.88	28.68	104.30	175.40	26,610.22	392.81	26,217.41
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit Impaired	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable -which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
Total	**570.57**	**19,356.94**	**6,314.45**	**59.88**	**28.68**	**104.30**	**175.40**	**26,610.22**	**392.81**	**26,217.41**

As at 31 March 2023	Outstanding for following periods from due date of payment									
	Unbilled	Not Due	< 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	-	21,917.66	4,133.99	205.90	111.40	149.61	38.83	26,557.39	402.80	26,154.59
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - credit Impaired	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable -which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
Total	**-**	**21,917.66**	**4,133.99**	**205.90**	**111.40**	**149.61**	**38.83**	**26,557.39**	**402.80**	**26,154.59**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

13 Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Balance with banks		
- in current accounts	763.49	952.60
Cash on hand	0.54	0.90
	764.03	**953.50**

14 Bank Balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Other bank balance		
- Earmarked balance with banks on account of unpaid dividends	12.02	7.65
	12.02	**7.65**

15 Other financial assets (Current)
(Unsecured considered good, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Financial assets at amortized cost		
Recoverable on account of government grant (Refund)	2,208.19	1,897.35
Security deposits	18.11	27.11
Export Benefit Recoverable	10.79	28.22
Financial Assets measured at fair value through Profit and loss		
Derivative financial instruments	-	40.51
	2,237.09	**1,993.19**

16 Other current assets
(Unsecured considered good, unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Recoverable on account of government grant	60.64	56.04
Advances for supply of goods & services	302.91	1,161.01
Recoverable from / balance with government authorities	1,091.94	911.87
Prepaid expenses	235.03	192.26
Advance to employee	12.33	-
Security deposits	8.63	8.63
Prepaid (deferred) expenses for employee benefits	3.06	3.92
Others	-	0.73
	1,714.54	**2,334.46**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

16(a) Assets held-for-sale

	As at 31 March 2024	As at 31 March 2023
Current		
- Freehold Land*	693.44	-
	693.44	**-**

*During the year, the Company had acquired this asset from a non-related party with an intention to sell in the short term. Further during the year company has entered into an agreement of sell for value of ₹693.44, with an other non-related party, out of which an advance of ₹107 has been received.

17 Equity share capital

17.1 Details of share capital

	As at 31 March 2024		As at 31 March 2023	
Authorised				
Equity shares of ₹10 each	10,00,00,000	10,000.00	6,00,00,000	6,000.00
	10,00,00,000	**10,000.00**	**6,00,00,000**	**6,000.00**
Issued, subscribed and fully paid up				
Equity shares of ₹10 each fully paid up	8,14,59,828	8,145.98	4,06,27,414	4,062.74
	8,14,59,828	**8,145.98**	**4,06,27,414**	**4,062.74**

17.2 Reconciliation of number of shares outstanding at beginning and end of the year

	As at 31 March 2024		As at 31 March 2023	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the year	4,06,27,414	4,062.74	4,05,61,164	4,056.12
Add: Issue equity Shares as bonus to existing share holders in 1:1 Ratio	4,06,27,414	4,062.74	-	-
Add: Issue of equity share under employee Stock option plan (Refer note 43.4)	1,02,500	10.25	66,250	6.62
Add: Issue of bonus equity share with employee stock option plan	1,02,500	10.25	-	-
Balance at the end of the year	**8,14,59,828**	**8,145.98**	**4,06,27,414**	**4,062.74**

17.3 Rights, preferences and restrictions attached to shares

i) The Company has only one class of equity shares having par value of ₹10 per share. Accordingly all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. Each shareholder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their Individual shareholding in the paid up equity capital of the Company.

ii) Pursuant to Share Subscription and Investment Agreement entered on 10 August 2019 with Aichi Steel Corporation (ASC) a Japanese Corporation incorporated under the laws of Japan having its registered office at 1, Wanowari, Aro-machi, Tokai-shi, Aichi-ken, 476-8666, Japan and the Company, ASC as minority protection, has rights in the Company such as right to nominate on the Board, affirmative vote rights, participatory rights, etc.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

17.4 Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2024.

i) During the five years immediately preceding 31 March 2024 ('the period'), the company had neither bought back any shares nor it had issued any shares for consideration other than cash.

ii) Pursuant to approval given by its shareholders, the Company has during the year ended 31 March 2024, issued bonus equity shares of ₹10 each as fully paid up in the ratio of one equity share for every one existing equity share and and Capitalization of such sum out of Security Premium Account of Company. Further the Company has issued bonus equity shares with employee stock option plan in the ratio of 1:1 during the year (Previous year: Nil) as per the detail is given below: -

	Number of shares	
	As at 31 March 2024	As at 31 March 2023
Bonus Shares	4,07,29,914	-

17.5 Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding in the class	Number of shares	% holding in the class
- Vardhman Textiles Limited	1,94,16,666	23.84	97,08,333	23.90
- Mr. Sachit Jain	1,12,26,238	13.78	56,13,119	13.82
- Vardhman Holdings Limited	1,04,37,908	12.81	52,18,954	12.85
- Aichi Steel Corporation	92,59,258	11.37	46,29,629	11.40
- Devakar Investment & Trading Company (P) Ltd	44,30,032	5.44	22,15,016	5.45
Total	5,47,70,102	67.24	2,73,85,051	67.42

17.6 Promoter Shareholding

Promoter's name	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Vardhman Textiles Limited	1,94,16,666	23.84	(0.06)	97,08,333	23.90	(0.04)
Sachit Jain	1,12,26,238	13.78	(0.04)	56,13,119	13.82	0.01
Vardhman Holdings Limited	1,04,37,908	12.81	(0.04)	52,18,954	12.85	(0.02)
Devakar Investment & Trading Company Private Ltd	44,30,032	5.44	(0.01)	22,15,016	5.45	(0.01)
Mahavir Shares Trust	10,65,822	1.31	-	5,32,911	1.31	-
VTL Investments Limited	7,56,000	0.93	-	3,78,000	0.93	-
S.P. Oswal	4,41,404	0.54	-	2,20,702	0.54	-
Flamingo Finance & Investment Company Limited	3,93,672	0.48	-	1,96,836	0.48	(0.01)

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

17.6 Promoter Shareholding (Contd.)

Promoter's name	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
Santon Finance & Investment Company Limited	3,37,066	0.41	-	1,68,533	0.41	(0.01)
Ramaniya Finance & Investment Company Limited	3,13,352	0.39	-	1,56,676	0.39	-
Suchita Jain	1,80,534	0.22	-	90,267	0.22	-
Shakun Oswal	1,02,382	0.13	-	51,191	0.13	-
Paras Syndicate	61,030	0.08	-	30,515	0.08	-
Amber Syndicate	57,496	0.07	-	28,748	0.07	-
Northern Trading Company	55,040	0.07	-	27,520	0.07	-
Eastern Trading Company	39,360	0.05	-	19,680	0.05	-
Mahavir Spinning Mills Private Limited	7,096	0.01	-	3,548	0.01	-
Soumya Jain	5,320	0.01	-	2,660	0.01	-
Sagrika Jain	5,160	0.01	-	2,580	0.01	-

18 Other equity
(also refer to Statement of Changes in Equity)

(a) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilised in accordance with the applicable provisions of the Companies Act, 2013.

(b) General reserve

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 and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

(c) Share Options Outstanding Account

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share based payment reserve.

(d) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

19 Borrowings

I. Non current borrowings

	As at 31 March 2024	As at 31 March 2023
Secured		
Term loans (refer note 19.1)		
- From banks (net of unamortized processing charges)	3,710.86	6,462.53
Total non-current borrowings (including current maturities)	**3,710.86**	**6,462.53**
Less: Current maturities of non-current borrowings disclosed as part of current borrowings	2,301.00	2,060.00
	1,409.86	**4,402.53**

II. Current borrowings

	As at 31 March 2024	As at 31 March 2023
Secured		
Loan repayable on demand		
- From banks (refer note 19.2 and 19.3)	2,767.66	6,295.10
Current maturities of non-current borrowings	2,301.00	2,060.00
Unsecured		
- Working capital loan- Corporate credit card (refer note 19.4)	1,815.53	1,534.49
	6,884.19	**9,889.59**

19.1 Notes

(a) Security details:

Term loans of ₹3,710.86 (Previous year: ₹6,462.53) are secured by a first parri passu charge on entire movable & immoveable property, plant and equipments of the Company (both present & future) including land and Building situated at C-58 & C-59, Focal Point, Ludhiana & Pioneer Industrial Park, Pathrerdi, Gurugram and second parri passu charge on entire current assets of the Company.

(b) Terms & repayment schedule:

- Term loan of ₹ Nil (Previous year: ₹2,096.65) from State Bank of India.
- Term loan of ₹2,061.85 (Previous year: ₹2,057.70) from ICICI Bank Limited repayable in 5 quarterly instalments from June 2024 till Q1 of FY 2025-26 (31 March 2023: 5 instalments)
- Term loan of ₹1,649.01 (Previous year: ₹2,308.18) from HDFC Bank Limited repayable in 10 quarterly instalments from April 2024 till Q2 of FY 2026-27 (31 March 2023: 14 instalments)
- During the current year, the nominal (floating) interest rate was in the range of 8.55 % to 10.80 % per annum (31 March 2023: in the range of 7.20 % to 9.80 % per annum)

19.2 Cash credit/overdraft and working capital demand loan facilities from Consortium banks aggregating to ₹2,767.66 (Previous year: ₹6,295.10) against a sanctioned fund based and non-fund based working capital facility of ₹30,000 (Previous year: ₹30,000) and ₹20,000 (Previous year: ₹15,000) respectively. These limits are secured by hypothecation of entire present and future tangible current assets of the Company as well as a second charge on the entire present and future property, plant and equipments of the Company.

19.3 Unsecured corporate credit card facilities taken from Axis Bank Limited aggregating to ₹1,815.53 (Previous year: ₹1,534.49) against a sanctioned limit of ₹3,000 (Previous year:₹2,000)

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

19.4 Reconciliation of movement in borrowings to cash flows from financing activities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year		
- Non current borrowings	4,402.53	7,889.21
- Current borrowings	9,889.59	8,203.13
Total Opening Balance	**14,292.12**	**16,092.34**
a) Cash flow movements		
- (Repayments)/ proceeds of current borrowing (net)	(3,246.40)	2,713.16
- (Repayment) of non-current borrowings	(2,760.00)	(4,520.45)
b) Non-cash movements		
- Effect of amortisation of loan origination costs	6.76	8.61
- Foreign exchange translation	1.57	(1.54)
Balance at the end of the year		
- Non current borrowings	1,409.86	4,402.53
- Current borrowings	6,884.19	9,889.59
Total Closing Balance	**8,294.05**	**14,292.12**

19.5 The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts in the current year and previous year, except for:

Quarter end date	Bank Name	Particulars	Amount as per books of account	Amount as reported in the quarterly statements	Amount of difference	Reason for Material discrepancy	Whether return/ statement subsequently rectified.
30 June 2023	ICICI	Trade receivable	27,198.00	26,795.04	(402.96)	Trade receivable has been reported net of provision for expected credit loss allowances of ₹402.96.	The company has subsequently revised the statement on 27 April 2024
30 Sept 2023	ICICI	Trade receivable	26,859.87	26,838.82	(21.05)	Trade receivable of ₹21.05 was inadvertently not added in trade receivable amount reported to the bank.	The company has subsequently revised the statement on 27 April 2024

Note: In the year ended 31 March 2024 and 31 March 2023, the actual utilisation of working capital remained within the bank sanction/ DP limits.

20 Lease liabilities

The Company has entered into agreement for taking office premises on lease and license basis. The one lease is running for a period of up to 10 years with no restriction placed upon the Company for entering into said lease.

The Company also leases certain office premises/Guest house with contract terms up to one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases. Rental expense recorded for short-term leases was ₹116.54 (Previous year: ₹110.34) (Refer note 37).

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Information about leases for which the Company is a lessee is presented below:

20.1 The following are the amounts recognised in statement of profit and loss:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities	7.42	8.71
Expenses relating to short-term leases	116.54	110.34
	123.96	**119.05**

20.2 The total cash outflow for leases are as follows:

	For the year ended 31 March 2024	For the year ended 31 March 2023
The total cash outflow for leases, including cash outflow for short term leases	140.23	132.91
Total	**140.23**	**132.91**

20.3 The following is the break-up of current and non-current lease liabilities:

	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	18.97	16.28
Non-current lease liabilities	57.57	76.53
	76.54	**92.81**

20.4 The weighted average incremental borrowing rate applied to lease liabilities is 8.87% (Previous year 8.87%).

20.5 The following is the movement in lease liabilities during the year

	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning	92.81	104.86
Finance cost accrued during the period	7.42	8.71
Payment of Lease liabilities (Including Interest)	(23.69)	(22.57)
Impact of lease modification	-	1.81
Balance at the end	**76.54**	**92.81**

20.6 The table below provides details regarding the contractual maturities of lease liabilities as at, on an undis-counted basis

	As at 31 March 2024	As at 31 March 2023
Less than one year	80.49	64.73
One to five years	64.02	88.89
Total	**144.51**	**153.62**

The Company does not faceany liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

21 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Non current		
Security deposits	24.98	15.36
	24.98	**15.36**

22 Provisions

Provisions for employee benefits (refer note 43)

	As at 31 March 2024	As at 31 March 2023
Non current		
Liability for compensated absences	195.01	194.41
	195.01	194.41
Current		
Liability for gratuity	61.09	63.54
Liability for compensated absences	82.14	40.29
	143.23	**103.83**

23 Deferred tax (Liabilities)/ assets (net)

	As at 31 March 2024	As at 31 March 2023
Deferred tax assets on account of		
Expenses allowable on payment basis	94.65	95.07
ICDS disallowance on MTM forward contracts	1.03	21.42
Lease liabilities	19.26	23.36
Expected credit loss allowance	98.86	101.38
Provision for slow moving inventory	-	13.78
	213.80	**255.01**
Deferred tax liabilities on account of		
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	2,177.92	2,245.60
Right-of-use assets	13.98	18.07
	2,191.90	**2,263.67**
	(1,978.10)	**(2,008.66)**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Deferred tax (Liabilities)/assets (net)

2023-24

Deferred tax assets (net)	Balance as at 1 April 2023	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2024
Deferred tax assets on account of				
Expenses allowable on payment basis	95.07	(0.42)	-	94.65
ICDS disallowance on MTM forward contracts	21.42	(20.40)	-	1.03
Lease liabilities	23.36	(4.10)	-	19.26
Expected credit loss allowance	101.38	(2.52)	-	98.86
Provision for slow moving inventory	13.78	(13.78)	-	-
	255.01	**(41.22)**	**-**	**213.80**
Deferred tax liabilities on account of				
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	2,245.60	(67.68)	-	2,177.92
Right-of-use assets	18.07	(4.09)	-	13.98
	2,263.67	**(71.77)**	**-**	**2,191.90**
Deferred tax assets (net)	**(2,008.66)**	**30.55**	**-**	**(1,978.10)**

Deferred tax (Liabilities)/assets (net)

2022-23

Deferred tax assets (net)	Balance as at 1 April 2022	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2023
Deferred tax assets on account of				
Expenses allowable on payment basis	85.89	9.18	-	95.07
ICDS disallowance on MTM forward contracts	16.72	4.70	-	21.42
Lease liabilities	26.39	(3.03)	-	23.36
Expected credit loss allowance	100.67	0.72	-	101.38
Provision for slow moving inventory	13.78	0.00	-	13.78
	243.45	**11.57**	**-**	**255.01**
Deferred tax liabilities on account of				
Excess of depreciation as per Income Tax Act, 1961 over depreciation as per books	2,307.04	(61.44)	-	2,245.60
Right-of-use assets	21.73	(3.66)	-	18.07
	2,328.77	**(65.10)**	**-**	**2,263.67**
Deferred tax assets (net)	**(2,085.32)**	**76.67**	**-**	**(2,008.66)**

Note: The Company has opted the new tax regime effective 1 April 2022. Accordingly deferred tax assets / liabilities have been recognised at the tax rate of 25.168% for current and previous year.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

24 Other non-current liabilities

	As at 31 March 2024	As at 31 March 2023
Security deposits	43.47	47.50
	43.47	**47.50**

25 Trade Payables

	As at 31 March 2024	As at 31 March 2023
Current		
- Total outstanding dues of micro enterprises and small enterprises (refer note 42)	927.68	463.73
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16,521.21	18,092.42
	17,448.89	**18,556.15**

Trade payable ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	927.68	-	-	-	-	927.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	45.58	15,503.54	933.40	15.47	13.46	9.76	16,521.21
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**45.58**	**16,431.22**	**933.40**	**15.47**	**13.46**	**9.76**	**17,448.89**

As at 31 March 2023	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	463.73	-	-	-	-	463.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.27	17,573.85	444.71	15.84	8.14	20.61	18,092.42
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**29.27**	**18,037.58**	**444.71**	**15.84**	**8.14**	**20.61**	**18,556.15**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

26 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current		
Interest accrued but not due on borrowings	17.17	28.01
Capital creditors		
- Total outstanding dues of micro enterprises and small enterprises	1.14	37.36
- Total outstanding of creditors other than micro enterprises and small enterprises	197.42	545.95
Employee related payables	1,640.03	1,374.38
Dues to government authorities	346.09	232.33
CSR Un-spent amount	70.60	19.51
Unpaid dividend	12.02	7.65
Liability for mark to market loss on derivative contracts	99.80	-
Other - Unapplied receipts	72.82	-
	2,457.09	**2,245.19**

27 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Contract liabilities	62.25	84.09
Advance received against assets held for sale	107.00	-
Statutory dues	1,180.02	1,139.30
	1,349.27	**1,223.39**

28 Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Provision for Income tax {net of advance income tax and tax deducted at source of ₹3,138.67 (31 March 2023: ₹3,411.38)}	20.80	51.06
	20.80	**51.06**

29 Revenue from operations

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		
- Finished goods	1,64,880.75	1,72,080.56
- Traded Goods	118.07	-
Other operating revenues		
- By product & miscellaneous sale	1,040.83	1,287.77
- Export incentives	96.28	130.78
	1,66,135.93	**1,73,499.11**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

A. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by geography market, major products and timing of revenue recognition.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Geographical markets		
India	1,58,695.81	1,63,592.33
Outside India	6,303.01	8,488.23
	1,64,998.82	**1,72,080.56**
Timing of revenue recognition		
Products transfer at a point in time	1,64,998.82	1,72,080.56
	1,64,998.82	**1,72,080.56**
For sale of major products refer note 41.1		
Revenue from contracts with customers	**1,64,998.82**	**1,72,080.56**

B. Reconciliation of revenue recognised with contract price

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue as per contract price	1,65,710.17	1,72,821.79
Adjustment for variable cost components		
Discount & Quality claims	(711.35)	(741.23)
Total Revenue from contracts with customers	**1,64,998.82**	**1,72,080.56**

Contract Balances

	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade receivables including unbilled revenue	26,217.41	26,154.59
Contract liabilities	62.25	84.09

The unbilled revenue included in trade receivables primarily relate to the Company's rights to consideration for revenue accrued but not billed at the reporting date. The contract liabilities relate to the advance received from customers against which revenue will be recognized when the performance obligation is satisfied.

Invoices are usually payable within 45-90 days.

The amount of ₹84.09 included in contract liabilities at 31 March 2023 has been recognised as revenue during the year ended 31 March 2024. (31 March 2023: ₹152.45)

Information about major customers:

Revenue from sale of products to one customer which individually constitutes more than 10 percent of the Company's total revenue is ₹22,619.78 (previous year one customer total revenue ₹19,416.00).

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

30 Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Income on account of government grants*	2,468.15	3,199.99
Interest income		
- fixed deposits with banks	-	39.12
- others (Punjab State Power Corporation Limited, employee loans etc.)	148.51	88.72
Liabilities no longer required written back	28.48	2.25
Net Gain on account of foreign exchange fluctuation	-	414.56
Gain on sale of current investments	217.93	14.19
Gain on sale of property, plant and equipment (net)	-	4.92
Miscellaneous income	119.28	111.64
	2,982.35	**3,875.39**

*The Company is eligible for incentives under Industrial and Business Development Policy 2017 of the State Government for its expansion cum upgradation project of Steel Melt Shop completed in FY 2019-20. Pursuant to the necessary approvals from the competent authorities resulting in satisfaction of recognition conditions for government grants in accordance with Ind AS 20, the Company has recorded ₹2,468.15 (Previous year: 3,199.99) under the head Other Income towards exemption of Electricity Duty, Infrastructure Development Cess, Stamp Duty, Property tax and GST refund. Other incentives as due will be considered post satisfaction of recognition conditions in accordance with requirements of Ind AS 20.

31 Cost of materials consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory of raw materials at the beginning of the year (including raw material in transit)	7,930.29	4,192.31
Purchases of raw materials*	1,00,669.89	1,18,384.92
Inventory of raw materials at the end of the year (including raw material in transit)#	(5,537.83)	(7,930.29)
	1,03,062.35	**1,14,646.94**

* includes inventory of semi-finished goods ₹82.24 (previous year: ₹4,661.29) purchased during the year.

includes inventory of semi-finished goods purchased of ₹ Nil (previous year: ₹647.84)

32 Purchases of stock-in-trade

	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of stock-in-trade	141.41	-
	141.41	**-**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening inventory		
Finished goods	18,660.41	15,723.16
Work-in-progress	7,036.87	6,241.33
	25,697.28	**21,964.49**
Closing inventory		
Finished goods*	19,296.66	18,660.41
Work-in-progress	8,441.64	7,036.87
	27,738.30	**25,697.28**
	(2,041.02)	**(3,732.79)**

* includes stock-in-trade of ₹18.25 as on 31 March 2024 (Previous year : ₹ Nil)

34 Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	8,735.47	8,194.56
Contribution to provident and other funds (refer note 43)	647.44	566.26
Share based payments to employees	84.93	80.45
Staff welfare expenses	152.72	153.62
	9,620.56	**8,994.89**

35 Finance cost

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on		
-Term loans	396.23	566.42
-Lease liabilities	7.42	8.71
-Others*	1,350.53	1,077.69
Other borrowing cost (LC Charges, processing fee & bank charges)	87.91	112.53
	1,842.09	**1,765.35**

* Others represent interest on cash credit & working capital demand loan and discounting charges etc.

36 Depreciation and amortisation expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3)	3,079.06	2,791.74
Depreciation on right of use asset (refer note 4)	16.26	16.26
Amortisation of intangible asset (refer note 5)	3.05	4.16
	3,098.37	**2,812.16**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

37 Other expenses

	For the year ended 31 March 2024		For the year ended 31 March 2023	
Stores and spare consumed		11,959.12		11,770.23
Power and fuel		17,257.91		17,859.62
Packing material		459.58		508.20
Processing Charges		2,784.32		1,574.62
Rent		116.54		110.34
Repairs and maintenance		2,761.41		1,913.47
Insurance		88.91		79.56
Rates and taxes		95.03		83.70
Net loss on account of foreign exchange fluctuation		72.59		-
Net Loss on sale/written of property, plant and equipment (net)		26.66		6.19
Loss on sale of assets held for sale		1.35		-
Vendor Balances written off		13.40		3.11
Bad debts	9.99	-	16.03	
Less: Withdrawal from provision for expected credit loss allowances	9.99	-	16.03	-
Legal and professional expenses (refer note 45.1)		166.13		161.55
Director sitting fees*		-		23.50
Expected credit loss allowances for doubtful trade receivables		-		18.83
Custom Duty on export sales		-		44.12
Freight and handling expense		2,991.13		3,411.41
Commission on sales		430.66		354.19
Royalty (refer note 44)		904.40		789.20
Corporate Social Responsibility expense (refer note 45.2)		242.34		142.45
Common corporate expenses (refer note 44)		99.76		99.76
Travelling Expense		238.05		155.73
Miscellaneous expenses		399.45		347.60
		41,108.74		**39,457.38**

* Sitting fee paid of Non-Executives directors for year ended 31 March 2024 has been clubbed under Employee benefits expense (Refer note -34)

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

38 Tax expense

		For the year ended 31 March 2024	For the year ended 31 March 2023
38.1	**Income tax recognised in Statement of Profit and Loss**		
	Current tax (including tax adjustment relating to prior periods)	3,153.54	3,462.45
	Deferred tax		
	Attributable to -		
	Origination and reversal of temporary differences	(30.56)	(76.66)
	Total tax expense recognised in the current year	**3,122.98**	**3,385.79**
38.2	**Reconciliation of effective tax rate**		
	Profit before tax	**12,285.78**	**13,430.57**
	Tax at the Indian tax rate of 25.168 %	3,092.09	3,380.21
	Effect of expenses that are not deductible in determining taxable profit*	35.57	33.64
	Recognition of previously unrecognised tax	1.25	(28.06)
	Income tax expenses recognised in statement of profit and loss	**3,128.91**	**3,385.79**
	*Refer Note 23		
38.3	**Income tax expense recognised in other comprehensive (expense)**		
	Deferred tax assets/(liabilities)		
	Arising on income and expenses recognised in other comprehensive income		
	- Remeasurement of defined benefit obligation	(5.93)	-
	Total income tax recognised in other comprehensive (expense)	**(5.93)**	**-**
	Bifurcation of the income tax recognised in other comprehensive income into:-		
	Items that will not be reclassified to profit or loss	-	-
		-	**-**

39 Earning per share (EPS)

		For the year ended 31 March 2024	For the year ended 31 March 2023
39.1	**Basic earnings per share**		
	Profit for basic earning per share of ₹10 each	9,162.80	10,044.78
	Weighted average number of equity shares for (basic)		
	Balance at the beginning of the year	**4,06,27,414**	**4,05,61,164**
	Effect of fresh issue of shares		
	4,07,29,914 equity issued as bonus to existing share holders in 1:1 Ratio	4,07,29,914	4,07,29,914
	Weighted average shares at fair value in employee stock option	24,119	12,342

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

39 Earning per share (EPS) (Contd.)

		For the year ended 31 March 2024	For the year ended 31 March 2023
	Total weighted average number of equity shares outstanding for Basic EPS	**8,13,81,447**	**8,13,03,420**
	Add: Effect of dilutive common equivalent shares - share option outstanding**	4,73,809	2,80,017
	Total weighted average number of equity shares outstanding for Diluted EPS	**8,18,55,256**	**8,15,83,437**
	Basic Earnings per share (face value of ₹10 each)	**11.26**	**12.35**
39.2	**Diluted earnings per share**		
	Profit for diluted earning per share of ₹10 each	9,162.80	10,044.78
	Total weighted average number of equity shares outstanding for Dilutive EPS	8,18,55,256	8,15,83,437
	Diluted Earnings per share (face value of ₹10 each) **	11.19	**12.31**

**4,73,809 options (31 March 2023: 227,483) were excluded from calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive in reference with Paragraph 46/47/47A of Ind AS 33.

40 Contingent liabilities and commitments:
(to the extent not provided for)

		As at 31 March 2024	As at 31 March 2023
40.1	**Claim against the Company not acknowledged as debts, under dispute**		
	-Sales tax, Value added tax, Goods and services tax etc.	6.90	25.35
	-Income-tax	9.92	-
		16.82	**25.35**
40.2	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for in the books of account {(net of capital advances ₹1,590.48 (Previous year ₹435.33)}	10,360.28	1,784.33
	Export commitments against import of capital goods under EPCG scheme	2,677.76	2,637.48
		13,038.04	**4,421.81**

40.3 Pursuant to judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Company had not recognised any provision for the years prior to 28 February 2019. Further, management also believes that the impact of the same on the Company though not quantifiable will not be material.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

41 Segment information

Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of segment and to make decision about allocation of resources. The Company has identified only one operating segment i.e.Manufacturing of Steel products and operations are mainly within India. Hence, it is the only reportable segment under Ind AS 108 'Operating Segments'. Entity wide disclosure required by Ind AS 108 are made as follows:

41.1 Entity wide disclosures

	For the year ended 31 March 2024	For the year ended 31 March 2023
Information about products and services		
Sale of products:		
Finished goods		
- Black bars	1,20,115.34	1,26,657.94
- Bright bars	44,765.41	45,422.62
- Others (represent items which individually account for less than	-	-
10% of the total value of sale of own manufactured products)		
	1,64,880.75	**1,72,080.56**
Traded goods:		
- Black bars	72.72	-
- Bright bars	45.35	-
	118.07	**-**
Inventories:		
- Black bars	16,410.71	16,199.44
- Bright bars	2,885.95	2,652.50
- Billets	8,441.64	6,845.34
- Raw Material (Including material in transit)	5,537.83	7,930.29
- Others (represent items which individually account for less	2,341.11	2,640.42
than 10% of the total value of inventory)	**35,617.24**	**36,267.99**

41.2 Information about major customers (from external customers)

Revenue from sale of products to one customer which individually constitutes more than 10 percent of the Company's total revenue is ₹22,619.78 (previous year one customer total revenue ₹19,416.00).

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

41.3 Information about geographical areas

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Within India	Outside India	Within India	Outside India
i) Revenues from sale of products to external customers	1,58,695.81	6,303.01	1,63,592.32	8,488.23

ii) Non-Current Segment Assets : The Company has common non-current assets for procuring goods to domestic and overseas markets. Hence, separate figures for non-current assets have not been furnished

42 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a)	Principal amount and Interest due thereon remaining unpaid to any supplier		
	- Principal		
	Trade payable	927.68	463.73
	Capital creditors	1.14	37.36
	- Interest		
	Trade payable	-	-
	Capital creditors	-	-
b)	The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which had been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act	-	-
d)	The amount of interest accrued and remaining unpaid at the end of year	-	-
e)	The amount of interest accrued and remaining unpaid at the end of the year		
f)	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 as a deductible expense under the MSMED Act 2006	-	-
		928.82	**501.09**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

43 Employee benefits

43.1 Assets and liabilities relating to employee benefits

	Non - current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Liability for gratuity	-	-	61.09	63.54
Liability for compensated absences	195.01	194.41	82.14	40.29
Provisions for employee benefits (refer note 22)	**195.01**	**194.41**	**143.23**	**103.83**

For details about the related employee benefit expenses, refer to note 34.

43.2 Defined contribution plan:-

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. The Company has recorded an expense of ₹360.22 (Previous year: ₹320.43) under provident fund scheme and ₹52.02 (Previous year: ₹47.94) under ESI scheme. These have been included in the note 34 Employees benefits expenses, in Statement of Profit and Loss.

43.3 Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by VSSL Gratuity fund trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the VSSL Gratuity fund trust.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increase in salary will increase the defined benefit obligation

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of VSSL Gratuity Fund Trust

i) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by VSSL Gratuity fund trust. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks. The following table sets out the status of the defined benefit plan as required under Ind-AS 19 - Employee Benefits:

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

ii) Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	1,108.64	980.63
Current service cost	120.89	109.43
Interest cost	81.60	70.41
Actuarial loss recognised in other comprehensive income	28.51	19.98
Benefits paid	(38.42)	(71.81)
Present value of obligation at the end of the year	**1,301.22**	**1,108.64**

iii) Reconciliation of present value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Plan assets at the beginning of the year, at fair value	1,045.10	989.14
Expected return on plan assets	76.92	71.02
Actuarial gain/(loss) on plan assets recognised in other comprehensive income	52.07	(7.92)
Contributions	-	(7.14)
Benefits paid	66.04	-
Plan assets at the end of the year, at fair value	**1,240.13**	**1,045.10**

iv) Amount recognised in the balance sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation at the end of the year	1,301.22	1,108.64
Fair value of plan assets at the end of the year	1,240.13	1,045.10
Net asset / (liability) recognised in balance sheet*	**(61.09)**	**(63.54)**

* Net asset shown under the head Other current assets and net liability shown under the head Provision for employee benefits

v) Plan Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Equity Instruments	24.85%	21.65%
Govt. Securities & Debt Instruments	72.95%	75.88%
Bank balances	1.75%	2.19%
Others	0.45%	0.28%

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

vi) Expenses recognised in the Statement of Profit or Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	120.89	109.43
Interest cost	81.60	70.41
Expected return on plan assets	(76.92)	(71.02)
Expenses recognized in profit or loss	**125.57**	**108.82**

vii) Remeasurement recognized in other comprehensive expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial (gain)/loss on the defined benefit obligation	(23.55)	27.91
Amount recognized in other comprehensive expense	**(23.55)**	**27.91**

viii) Actuarial Assumptions

(i) Economic assumptions: The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.36%	7.18%
Expected rate of return on plan assets (per annum)	6.20%	6.37%
Future salary growth rate	6.00%	6.00%

(ii) Demographic assumptions:

Particulars	As at 31 March 2024	As at 31 March 2023
Retirement age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate	Withdrawal Rate %	Withdrawal Rate %
Upto 30 years	5.00%	5.00%
31 to 44 years	5.00%	5.00%
44 and above	5.00%	5.00%

ix) Sensitivity analysis on defined benefit obligation on account of change in significant assumptions:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50 % movement)	(44.78)	48.10	(38.75)	41.62
Future salary growth (0.50 % movement)	46.61	(44.10)	40.73	(38.40)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

x) Expected future benefit payments

Particulars	As at 31 March 2024	As at 31 March 2023
Undiscounted amount of expected benefit payments for next 10 years:		
within 1 year	219.04	183.30
1-2 years	123.24	89.17
2-3 years	77.12	86.57
3-4 years	92.36	59.02
4-5 years	97.69	73.06
5-6 years	60.56	77.98
6 year onwards	631.20	539.54

xi) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Weighted average duration of the defined benefit plan (in years)	11.60	11.67
Expected employers contribution for next year	136.80	127.19

43.4 Share based payments to employees

i) ESOP Plan 2016: First (1st) Grant

All the options granted under the First grant of ESOP Plan 2016 were fully exercised by the eligible employees up to 31 March 2022.

ii) ESOP Plan 2016: Second (2nd) Grant

The Nomination and Remuneration Committee of the Company in its meeting held on 11 November 2020 has granted 1,35,000 options to its eligible employees against the plan under the Second grant out of 1,36,937 options lying un-granted at a price of ₹72 per share, other terms and conditions remaining the same.

During the year, the Company has allotted 26,250 (Previous year : 28,125) equity shares to the eligible employees at a price of ₹72 per share. Along with this employees had also exercised Bonus Shares 26,250 in the ratio of 1:1 during the year (Previous year: Nil)

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024
(All amounts are in ₹ lakhs except for share data)

Reconciliation of outstanding share options (2nd Grant under ESOP Plan 2016)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Number of Options	Weighted average exercise Price (in ₹)	Number of Options	Weighted average exercise Price (in ₹)
Outstanding at beginning of the year	**91,875**	**72**	**1,27,500**	**72**
Granted during the period	-	-	-	-
Forfeited during the year	(3,750)	72	(7,500)	72
Exercised during the year	(26,250)	72	(28,125)	72
Outstanding at end of the year*	**61,875**	**72**	**91,875**	**72**

*The options outstanding as at 31 March 2024 had an exercise price of ₹72 per option (31 March 2023 - ₹72 per option) and a weighted-average remaining contractual life of 5.12 year (31 March 2023- 6.12 Year)

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plan are as follows:

Details of vesting	Vesting schedule	Fair value of option
11-Nov-22	25% of total allotment	30.21
11-Nov-23	25% of total allotment	33.59
11-Nov-24	25% of total allotment	36.16
11-Nov-25	25% of total allotment	38.59

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
1. Risk free interest rate	5.78%	5.78%
2. Expected life (In years)	10.00	10.00
3. Expected Volatility	9.05%	9.05%
4. Exercise Price (in ₹)	72.00	72.00
5. Price of the underlying share in the market at the time of option grant (in ₹)	79.00	79.00

iii) ESOP Plan 2016: Third (3rd) Grant

The Nomination and Remuneration Committee in its meeting held on 23rd July, 2022 has made a third grant of 9,000 options under ESOP Plan 2016 to its eligible employees out of 9,437 options lying ungranted under the said Plan at a price of ₹72 per share. These options will vest with the eligible employees after two years from the date of grant.

During the year no allotment has been made by the company to the eligible employees under 3rd Grant of ESOP Plan 2016, as vesting period is 2 years.

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Reconciliation of outstanding share options (3rd Grant under ESOP Plan 2016)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Number of Options	Weighted average exercise Price (in ₹)	Number of Options	Weighted average exercise Price (in ₹)
Outstanding at beginning of the year	9,000	72	-	-
Granted during the period	-	-	9,000	72
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at end of the year*	**9,000**	**72**	**9,000**	**72**

*The options outstanding as at 31 March 2024 had an exercise price of ₹72 per option (31 March 2023 - ₹72 per option) and a weighted-average remaining contractual life of 6.81 year (31 March 2023- 7.82 Year)

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plan are as follows:

Details of vesting	Vesting schedule	Fair value of option
23-Jul-24	25% of total allotment	188.15
23-Jul-25	25% of total allotment	191.16
23-Jul-26	25% of total allotment	194.18
23-Jul-27	25% of total allotment	196.85

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
1. Risk free interest rate	7.08%	7.08%
2. Expected life (In years)	10.00	10.00
3. Expected Volatility	16.46%	16.46%
4. Exercise Price (in ₹)	72.00	72.00
5. Price of the underlying share in the market at the time of option grant (in ₹)	230.00	230.00

iv) ESOP Plan 2020: First (1st) Grant

The Company has established an Employee Stock Option Plan ('ESOP') in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014) which has been approved by the Board of Directors in its meeting held on 6 August 2020 and by the shareholders in their meeting held on 25 September, 2020. The Board had delegated necessary power to the Nomination and Remuneration Committee to Implement and administer the plan. Accordingly, the Nomination and Remuneration Committee of the Company in its meeting held on 11 November 2020 has granted 3,63,000 options to its eligible employees against the plan under the first grant out of total of 5,00,000 options.

During the year, the Company has allotted 76,250 (Previous year : 38,125) equity shares to the eligible employees at a price of ₹72 per share. Along with this employees had also exercised Bonus Shares 76,250 in the ratio of 1:1 during the year (Previous year: Nil)

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Reconciliation of outstanding share options (1st Grant under ESOP Plan 2020)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Number of Options	Weighted average exercise Price (in ₹)	Number of Options	Weighted average exercise Price (in ₹)
Outstanding at beginning of the year	2,26,375	72	2,91,500	72
Granted during the period	-	-	-	-
Forfeited during the year	(5,625)	72	(27,000)	72
Exercised during the year	(76,250)	72	(38,125)	72
Outstanding at end of the year*	1,44,500	72	2,26,375	72

*The options outstanding as at 31 March 2024 had an exercise price of ₹72 per option (31 March 2023 - ₹72 per option) and a weighted-average remaining contractual life of 5.12 year (31 March 2023- 6.12 Year)

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plan are as follows:

Details of vesting	Vesting schedule	Fair value of option
11-Nov-22	25% of total allotment	30.21
11-Nov-23	25% of total allotment	33.59
11-Nov-24	25% of total allotment	36.16
11-Nov-25	25% of total allotment	38.59

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
1. Risk free interest rate	5.78%	5.78%
2. Expected life (In years)	10.00	10.00
3. Expected Volatility	9.05%	9.05%
4. Exercise Price (in ₹)	72.00	72.00
5. Price of the underlying share in the market at the time of option grant (in ₹)	79.00	79.00

v) ESOP Plan 2020: Second (2nd) Grant

The Nomination and Remuneration Committee in its meeting held on 23rd July, 2022 has made a second grant of 1,25,000 options under ESOP Plan 2020 to its eligible employees out of 2,20,500 options lying ungranted under the said Plan at a price of ₹72 per share. These options will vest with the eligible employees after two years from the date of grant.

During the year no allotment has been made by the company to the eligible employees under 3rd Grant of ESOP Plan 2020, as vesting period is 2 years.

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Reconciliation of outstanding share options (2nd Grant under ESOP Plan 2020)

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Number of Options	Weighted average exercise Price (in ₹)	Number of Options	Weighted average exercise Price (in ₹)
Outstanding at beginning of the year	**1,14,000**	**72**	-	-
Granted during the period	-	-	1,25,000	72
Forfeited during the year	(10,000)	72	(11,000)	72
Exercised during the year	-	-	-	-
Outstanding at end of the year*	**1,04,000**	**72**	**1,14,000**	**72**

*The options outstanding as at 31 March 2024 had an exercise price of ₹72 per option (31 March 2023 - ₹72 per option) and a weighted-average remaining contractual life of 6.81 year (31 March 2023- 7.82 Year)

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plan are as follows:

Details of vesting	Vesting schedule	Fair value of option
23-Jul-24	25% of total allotment	188.15
23-Jul-25	25% of total allotment	191.16
23-Jul-26	25% of total allotment	194.18
23-Jul-27	25% of total allotment	196.85

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
1. Risk free interest rate	7.08%	7.08%
2. Expected life (In years)	7.00	7.00
3. Expected Volatility	16.46%	16.46%
4. Exercise Price (in ₹)	72.00	72.00
5. Price of the underlying share in the market at the time of option grant (in ₹)	230.00	230.00

vi) Movement of Share Option Outstanding Account

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Total liability as the beginning of the year	124.34	63.90
Employee option plan expense	84.93	80.45
Transfer to securities premium account	(33.52)	(20.01)
Total liability as the end of the year	**175.75**	**124.34**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

44 Related party disclosures

44.1 List of related parties where significant influence exists:

Name of party	Description of relationship
Vardhman Textiles Limited	VSSL* is an associate of Vardhman Textiles Limited
Aichi Steel Corporation	VSSL* is an associate of Aichi Steel Corporation

* VSSL refers to Vardhman Special Steels Limited

44.2 List of related parties and nature of relationship with whom transactions have taken place during the current/previous year

a) Name of party	Description of relationship
Vardhman Yarns and Threads Limited ('VYTL')	VYTL is an associate of Vardhman Textiles Limited

b) Key management personnel and individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Sachit Jain, Vice Chairman and Managing Director

Mr. Sanjeev Singla, Chief Financial Officer

Ms. Sonam Dhingra, Company Secretary (Earlier name was Ms. Sonam Taneja, which is changed w.e.f. 1st October 2023)

Mr. Rajendar Kumar Rewari, Chief Executive Officer (w.e.f. 1 February 2022 to 24 July 2022)

Mr. Rajendar Kumar Rewari, Executive Director (w.e.f. 25 July 2022)

Ms. Soumya Jain, Executive Director (w.e.f. 02 August 2023)

c) Relatives of KMP

Mr. S.P. Oswal

Ms. Shakun Oswal

Ms. Soumya Jain (till 01 August 2023)

Ms. Sagrika Jain

d) Non Executive directors

Mr. Rajeev Gupta (Non -Executive Chairman)

Mr. Sanjeev Pahwa (Up to 30 September 2022)

Mr. Rajinder Kumar Jain

Mr. Sanjoy Bhattacharyya

Mr. Bal Krishan Choudhary (Up to 27 September 2023)

Ms. Suchita Jain

Mr. Rakesh Jain

Ms. Shubhra Bhattacharya (Up to 2 January 2023)

Mr. Raghav Chandra

Mr. Takashi Ishigami (up to 25 July 2022)

Mr. Toshio Ito (w.e.f. 25 July 2022)

Mr. Suman Chatterjee (w.e.f. 25 July 2022)

Ms. Vidya Shah (w.e.f. 25 July 2022)

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

e) Enterprise over which KMP's have significant influence

Vardhman Holdings Limited
Vardhman Acrylics Limited
VSSL Gratuity Fund Trust
Devakar Investment & Trading Company Private Limited
Mahavir Shares Trust
VTL Investments Limited
Flamingo Finance & Investment Company Limited
Santon Finance & Investment Company Limited
Ramaniya Finance & Investment Company Limited
Paras Syndicate
Amber Syndicate
Northern Trading Company
Eastern Trading Company
Mahavir Spinning Mills Private Limited
Adishwar Enterprises LLP
SP Oswal Trust
Mrs. Shakun Oswal Trust

44.3 Transactions with related parties during the current / previous year # :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Purchase of raw material		
Vardhman Yarns and Threads Limited	4.38	4.49
Vardhman Textiles Limited	78.51	65.64
Aichi Steel Corporation	0.43	
(ii) Purchase of MEIS/RODTEP License		
Vardhman Textiles Limited	96.40	225.05
(iii) Royalty		
Aichi Steel Corporation	904.40	789.20
(iv) Professional Charges		
Aichi Steel Corporation	6.58	21.55
(v) Logo charges		
Vardhman Holdings Limited	29.41	30.71
(vi) Reimbursement of expenses paid		
Vardhman Textiles Limited	11.44	4.72
Aichi Steel Corporation	4.01	19.75
Vardhman Yarns and Threads Limited	1.16	-
(vii) Reimbursement of expenses received		
Vardhman Textiles Limited	-	0.25
(viii) Common corporate expenses		
Vardhman Textiles Limited	117.71	117.71
(ix) Dividend paid		
Vardhman Textiles Limited	388.33	339.79

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

44.3 Transactions with related parties during the current / previous year # : (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Vardhman Holdings Limited	208.76	182.66
Aichi Steel Corporation	185.19	162.04
Devakar Investment & Trading Company Private Limited	88.60	77.53
Mahavir Shares Trust	21.32	18.65
VTL Investments Limited	15.12	13.23
S.P. Oswal	8.83	7.72
Flamingo Finance & Investment Company Limited	7.87	6.89
Santon Finance & Investment Company Limited	6.74	5.90
Ramaniya Finance & Investment Company Limited	6.27	5.48
Suchita Jain	3.61	3.16
Shakun Oswal	2.05	1.79
Paras Syndicate	1.22	1.07
Amber Syndicate	1.15	1.01
Northern Trading Company	1.10	0.96
Eastern Trading Company	0.79	0.69
Mahavir Spinning Mills Private Limited	0.14	0.12
Sagrika Jain	0.10	0.09
(x) Contribution (from)/to post employment benefit plans		
VSSL Gratuity Fund Trust	66.04	(7.14)
(xi) Compensation to KMP & their relative:		
Short-term employee benefits*		
Mr. Sachit Jain	282.20	282.49
Mr. Sanjeev Singla	66.17	66.48
Ms. Sonam Dhingra	12.57	11.57
Mr. Rajendar Kumar Rewari	120.72	119.17
Ms. Soumya Jain (w.e.f. 02 August 2023)	35.15	-
Directors Sitting Fees		
Mr. Rajeev Gupta	2.40	1.80
Mr. Sanjeev Pahwa	-	1.60
Mr. Rajinder Kumar Jain	3.20	2.80
Mr. Sanjoy Bhattacharyya	5.35	3.45
Mr. Rakesh Jain	4.10	3.85
Ms. Shubhra Bhattacharya	-	1.00
Mr. Raghav Chandra	4.50	3.20
Mr. Suman Chatterjee	3.35	2.90
Ms. Vidya Shah	2.75	2.90
Commission to Directors		
Mr. Sachit Jain (Vice Chairman and Managing Director)	586.51	622.00
Mr. Rajendar Kumar Rewari (Executive Director)	65.49	28.75
Ms. Soumya Jain (Executive Director) (w.e.f. 02 August 2023)	37.40	-

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

44.3 Transactions with related parties during the current / previous year # : (Contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Compensation to Relative of KMP		
Ms. Soumya Jain (till 01 August 2023)	9.42	26.03
Dividend		
Mr. Sachit Jain	224.52	196.46
Mr. Sanjeev Singla	0.95	1.11
Ms. Sonam Dhingra	-	-
Mr. Rajinder Kumar Jain	0.73	0.64
Ms. Soumya Jain	0.11	0.09
Mr. Rajendar Kumar Rewari	0.01	0.01
Post employment benefits		
Mr. Sachit Jain	49.81	41.51
Mr. Sanjeev Singla	14.22	11.10
Ms. Sonam Dhingra	3.06	2.34
Mr. Rajendar Kumar Rewari	14.08	6.79
Ms. Soumya Jain	3.90	1.69
Options exercised during the year		
Mr. Sanjeev Singla	7.20	-
Ms. Sonam Dhingra	1.35	-
Outstanding options as at year end		
Mr. Sanjeev Singla	7.20	14.40
Ms. Sonam Dhingra	4.05	5.40
Mr. Rajendar Kumar Rewari	21.60	21.60

* Including value of perquisites.

Including taxes wherever applicable.

44.4 Outstanding balances with related parties as at year end:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
Aichi Steel Corporation	399.61	459.78
Vardhman Holdings Limited	26.92	28.11
Vardhman Textiles Limited	16.52	16.76
Vardhman Yarns and Threads Limited ('VYTL')	0.02	-
(Asset) / liability for gratuity contribution		
VSSL Gratuity Fund Trust	61.09	63.54

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

44.5 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year end are unsecured.

45 Other disclosures required by statute

45.1 Auditors Remuneration (excluding taxes as applicable)

	For the year ended 31 March 2024	For the year ended 31 March 2023
As Auditor		
- Statutory audit and limited review of quarterly results	34.00	30.00
- in other capacity		
Tax audit fee	4.50	4.25
Certification work	2.25	0.25
For reimbursement of expenses	2.24	1.71
	42.99	**36.21**

45.2 Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:-

S. No.	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i	Amount required to be spent by the company during the year	242.34	149.35
ii	Amount of expenditure incurred for the year*	171.74	122.94
iii	Shortfall/(Surplus) at the end of the year A = (i-ii)	**70.60**	**26.41**
iv	Amount required to be spent by the company for previous year shortfall, if any	19.51	-
v	Surplus at the end of year, if any	-	(6.90)
vi	Amount of expenditure incurred for previous year shortfall*	19.51	-
vii	Total of previous years shortfall/(surplus) B = (iv-vi) or v	**-**	**(6.90)**
	Total shortfall/(surplus) at the end of the year (A+B) **	**70.60**	**19.51**
	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	-	-
	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shown be shown separately	-	-

*** Nature of CSR activities**

Current Year- On Preventive Health care ₹66.36, On Environment Sustainability ₹56.65, On Promoting Education ₹32.73, On Women Empowerment - ₹25.38, On Promoting Sports ₹5.11 and on Other sectors ₹5.02. (This includes expenditure of ₹19.51 w.r.t. previous year shortfall) (Previous year -On Preventive Health care ₹65.62, On Environment Sustainability ₹37.83, On Promoting Education ₹13.44, On Promoting Sports ₹4.05 and on Other sectors ₹2.00.)

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

**** Reason for shortfall**

Amount remaining unspent pertains to Ongoing/Multilayer Projects approved by CSR committee which will be spent in the coming years.

Details of Deposit in Unspent CSR Account

As per the requirements of Section 135(5) of The Companies Act, 2023, ₹70.60 has been deposited in the special account named Vardhman Special Steels Limited -Unspent CSR Account FY 2023-24 on 12 April 2024 related to shortfall as on 31 March 2024, which will be spent in the coming years.

(Previous year: ₹19.51 has been deposited in the special account named Vardhman Special Steels Limited -Unspent CSR Account FY 2022-23 on 24 April 2023 related to shortfall as on 31 March 2023, which has been spent in current year)

46 Financial instruments - Fair values and risk management

46.1 Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities including their level in the fair value hierarchy:

Particulars	Note	As at 31 March 2024			As at 31 March 2023		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets							
Non-current							
- Loans	(ii)	-	-	266.22	-	-	281.99
- Other financial assets	(ii)	-	-	281.54	-	-	269.04
Current							
- Investments	(i)	-	-	-	2,000.31	-	-
- Trade receivables	(i)	-	-	26,217.41	-	-	26,154.59
- Cash and cash equivalents	(i)	-	-	764.03	-	-	953.50
- Bank balances other than cash and cash equivalents	(i)	-	-	12.02	-	-	7.65
- Loans	(i)	-	-	172.42	-	-	150.96
- Other financial Assets (excluding derivative financial instruments)	(i)	-	-	2,237.09	-	-	1,952.68
- Derivative financial instruments	(iv)	-	-	-	40.51	-	-
Total financial assets		**-**	**-**	**29,950.73**	**2,040.82**	**-**	**29,770.41**
Financial Liabilities							
Non-current							
- Borrowings	(i)	-	-	1,409.86	-	-	4,402.53
- Lease liabilities	(i)	-	-	57.57	-	-	76.53
- Other financial liabilities	(i)	-	-	24.98	-	-	15.36
Current							
- Borrowings	(i)	-	-	6,884.19	-	-	9,889.59
- Lease liabilities	(i)	-	-	18.97	-	-	16.28
- Trade payables	(i)	-	-	17,448.89	-	-	18,556.15
- Derivative financial instruments	(iv)	99.80	-	-	-	-	-
- Other financial liabilities	(i)	-	-	2,357.29	-	-	2,245.19
		99.80	**-**	**28,201.75**	**-**	**-**	**35,201.63**

Notes:

(i) Fair value of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments. Further, in accordance with amendment Ministry of Corporate Affairs notified in Ind AS 113 on 30 March 2019, fair value measurement of lease liabilities is not required.

(ii) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

(iii) Fair value of borrowings is as follows :

	Level	Fair value		Amortised cost	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Non-current borrowings (including current maturities)*	3	3,722.25	6,543.07	3,710.86	6,462.53

*The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

(iv) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The company uses mark to market provided by bank for valuation of this derivative contracts. There are no significant unobservable inputs used for Derivative financial instruments.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2024 and 31 March 2023.

47 Financial risk management

47.1 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (ii))
- liquidity risk (see (iii)): and
- market risk (see (iv))

47.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	26,217.41	26,154.59
Cash and cash equivalents	764.03	953.50
Loans	172.42	150.96
Other financial assets	**2,237.09**	**1,993.19**

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

	As at 31 March 2024	As at 31 March 2023
Within India	25,945.12	25,306.84
Outside India	272.29	847.75
	26,217.41	**26,154.59**

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from top customer	13.71%	11.28%
Revenue from top five customers	35.31%	35.76%

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Loss allowance	Carrying amount	Weighted average loss rate	Whether credit impaired
31 March 2024					
Not Due	19,927.51	-	19,927.51	0.00%	No
0-90 Days	6,242.52	-	6,242.52	0.00%	No
91-180 Days	71.93	38.63	33.30	53.70%	No
181-365 Days	59.88	45.80	14.08	76.49%	No
366 Days and above	308.38	308.38	-	100.00%	No
	26,610.22	**392.81**	**26,217.41**		

Particulars	Gross carrying amount	Loss allowance	Carrying amount	Weighted average loss rate	Whether credit impaired
31 March 2023					
Not Due	21,917.66	-	21,917.66	0.00%	No
0-90 Days	3,987.38	-	3,987.38	0.00%	No
91-180 Days	146.61	-	146.61	0.00%	No
181-365 Days	205.90	102.96	102.94	50.00%	No
366 Days and above	299.84	299.84	-	100.00%	No
	26,557.39	**402.80**	**26,154.59**		

The movement in the allowance for impairment in respect of trade receivables is as follows

	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	402.80	400.00
Amounts added during the year	-	18.83
Withdrawal from provision towards bad debts written off	(9.99)	(16.03)
Balance as at the end of the year	**392.81**	**402.80**

The loans primarily represents loans given to employees. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no allowance for expected credit loss has been provided on these financial assets.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

47.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

The following table provides details regarding the contractual maturities of significant financial liabilities:

31 March 2024	Less than 1 Year	1 to 5 year	More than 5 years	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	6,884.19	1413.14	-	8,297.33
Trade payables	17,448.89		-	17,448.89
Other financial liabilities	2,357.29	-	-	2,357.29
	26,690.37	**1,413.14**	**-**	**28,103.51**

31 March 2023	Less than 1 Year	1 to 5 year	More than 5 years	Total
Non-derivative financial liabilities				
Borrowings (including current maturities)	9,889.59	4412.57	-	14,302.16
Trade payables	18,556.15	-	-	18,556.15
Other financial liabilities	2,245.19	-	-	2,245.19
	30,690.93	**4,412.57**	**-**	**35,103.50**

47.4 Market risk

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check to the extent possible.

(b) Interest rate risk

Interest rate risk is the risk that the 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 borrowings with floating interest rates.

Exposure to interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

	As at 31 March 2024	As at 31 March 2023
Fixed rate borrowings	-	-
Floating rate borrowings	8,294.05	14,292.12
	8,294.05	**14,292.12**

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have impacted the Statement of Profit and Loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Strengthening	Weakening
For the year ended 31 March 2024		
Interest rate (0.5% movement)	(41.47)	41.47
For the year ended 31 March 2023		
Interest rate (0.5% movement)	(71.46)	71.46

(c) Foreign Currency Risk and sensitivity

The functional currency of the Company is Indian Rupee (INR). The Company is exposed to foreign exchange risk through its sales in international markets and purchases from overseas suppliers in various foreign currencies. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company holds derivative financial instruments such as foreign exchange contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/ depreciates against these currencies.

Exposure to currency risk

The following table provides details of the Company's exposure to currency risk:

		As at 31 March 2024		As at 31 March 2023	
	Currency	Amount in Indian currency (in lakhs)	Amount in foreign currency (in lakhs)	Amount in Indian currency (in lakhs)	Amount in foreign currency (in lakhs)
Trade payable	**USD**	781.72	9.37	4,046.05	49.24
	EURO	147.19	1.64	-	-
	JPY	399.61	726.57	459.78	741.58
Trade receivables	**USD**	272.33	3.26	554.65	6.75
	EURO	-	-	293.10	3.28

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period

Particulars	As at 31 March 2024 (in lakhs)	As at 31 March 2023 (in lakhs)
a) Exposure on account of Financial assets		
Trade Receivable (A)		
-In USD	3.26	6.75
-In Euro	-	3.28
Amount hedged through forwards & options # (B)		

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period (Contd.)

Particulars	As at 31 March 2024 (in lakhs)	As at 31 March 2023 (in lakhs)
-In USD	0.55	10.01
-In Euro	-	5.91
Net Exposure of Foreign Currency Assets (C = A - B)		
-In USD	2.71	-
-In Euro	-	-
b) Exposure on account of Financial Liabilities		
Trade Payable (D)		
-In USD	9.37	49.24
-In Euro	1.64	-
-In JPY	726.57	741.58
Amount hedged through forwards & options # (E)		
-In USD	13.11	72.63
-In Euro	43.00	13.76
-In JPY	720.00	720.00
-In SEK	14.20	-
Net Exposure of Foreign Currency Liabilities (F = D - E)		
-In USD	-	-
-In Euro	-	-
-In JPY	6.57	21.58
Net Exposure to Foreign Currency Assets / (Liability) (C-F)		
-In USD	2.71	-
-In Euro	-	
-In JPY	(6.57)	(21.58)

Excess forwards and options against pending purchase orders.

The followings are the significant exchange rates applied during the year:

Particulars	2023-2024 (Average exchange rate)	2022-2023 (Average exchange rate)	2023-2024 (Year end rate)	2022-2023 (Year end rate)
USD/INR	82.79	80.37	83.41	82.17
EURO/INR	89.80	83.61	89.97	89.36
JPY/INR	0.57	0.59	0.55	0.62
SEK/INR	7.81	7.74	7.81	7.90

Foreign currency sensitivity

The Impact on the Company profit before tax due to changes in the fair value of monetary assets and liability including foreign currency derivatives on account of 1% change in USD, SEK and JPY exchange rate (With all other variables held consent) will be as under:

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Particular	As at 31 March 2024	As at 31 March 2023
1 % Strengthening/(weakening) of USD against INR	2.26	-
1 % Strengthening/(weakening) of Euro against INR	-	-
1 % Strengthening/(weakening) of JPY against INR	(0.04)	(0.13)
1 % Strengthening/(weakening) of SEK against INR	-	-

b) Summary of Exchange difference accounted in Statement of Profit and loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Currency fluctuations		
Net foreign exchange (gain) shown as operating expenses	(67.72)	(309.92)
Derivatives		
Derivatives financial instruments losses / (gain) shown as operating expenses	140.31	(104.64)
Total	**72.59**	**(414.56)**

48 Capital Risk Management

48.1 Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders . The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings	8,294.05	14,292.12
Trade payables	17,448.89	18,556.15
Lease liabilities	76.54	92.81
Other payables	4,088.27	3,814.32
Less: cash and cash equivalents	764.03	953.50
Net debt	**29,143.72**	**35,801.90**
Equity	71,935.46	64,221.40
Capital and net debt	**1,01,079.18**	**1,00,023.30**
Gearing Ratio	28.83%	35.79%

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

48.2 Dividend not recognised at the end of the year

Subsequent to the year end, the Board of Directors have recommended a dividend of ₹2 (31 March 2023: ₹2) per share on fully paid shares of the company. The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

48.3 Issue of Bonus Shares in the year ended 31 March 2024.

Shareholders have on, 17 May 2023, approved the followings-

a) Issue of 4,07,29,914 equity shares of ₹10 each as fully paid up bonus equity shares in the ratio of one equity share for every one existing equity share and Capitalization of such sum out of Security Premium Account of Company.

b) Increase in the Authorized Share Capital of the Company from existing ₹60 crore to ₹100 crore and consequent alteration in the Capital Clause of the Memorandum of Association of the Company, on account of issue of Bonus Shares of the Company.

49 Ratios as per Schedule III requirements

The following are the analytical ratios for the year ended 31 March 2024 and 31 March 2023.

Particulars	31 March 2024	31 March 2023
a) Current Ratio = Current Assets divided by Current Liabilities		
Current Assets	66,734.75	69,862.65
Current Liabilities	28,322.44	32,085.49
Current Ratio	**2.36**	**2.18**
% Change from previous year	**8.21%**	

Reason for change more than 25%: Not Applicable

b) Debt Equity Ratio = Net debt divided by Total equity where total debt refers to sum of current & non current borrowings *

Particulars	31 March 2024	31 March 2023
Total Debt	8,294.05	14,292.12
Cash and Cash Equivalents (including Other Bank Balances)	776.05	961.15
Current Investments	-	2,000.31
Net Debt	**7,518.00**	**11,330.66**
Total Equity	**71,935.46**	**64,221.40**
Debt Equity Ratio	**0.10**	**0.18**
% Change from previous year	**-40.76%**	

* The above formula has been consistently been applied by the Company in the current and earlier years

Reason for change more than 25%: Debt equity ratio has improved on account of pre-payment of 2 instalments of term loan with SBI bank aggregating amounting to ₹700.00 and repayment of current borrowing amounting to ₹3,246.40 from internal accruals.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	31 March 2024	31 March 2023
Profit after tax	9,162.80	10,044.78
Add: Non cash operating expenses, finance cost and other adjustments	**3,542.08**	**3,415.42**
-Depreciation and amortisation	3,098.37	2,812.16
-Finance costs	403.65	575.13
-Balances Written off	13.40	3.11
-Expected credit Loss	-	18.83
-PPE Written off	26.66	6.19
Earnings available for debt services	**12,704.88**	**13,460.20**
Rent and Lease Payments	135.51	126.62
Principal repayments	2,301.00	2,060.00
Interest on Borrowings	403.65	575.13
Total Interest and principal repayments	**2,840.16**	**2,761.76**
Debt Service Coverage Ratio	**4.47**	**4.87**
% Change from previous year	**-8.22%**	

Reason for change more than 25%: Not Applicable

d) Return on Equity Ratio = Net profit after tax divided by Equity

Particulars	31 March 2024	31 March 2023
Net profit after tax	9,162.80	10,044.78
Average Equity	68,078.43	59,858.72
Return on Equity Ratio	**13.46%**	**16.78%**
% Change from previous year	**-19.79%**	

Reason for change more than 25%: Not applicable

e) Inventory Turnover Ratio = Revenue from operations divided by average inventory

Particulars	31 March 2024	31 March 2023
Revenue	1,66,135.93	1,73,499.11
Average Inventory	35,942.62	33,350.10
Inventory Turnover Ratio	4.62	5.20
% Change from previous year	**-11.15%**	

Reason for change more than 25%: Not applicable

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

f) Trade Receivables Turnover Ratio = Revenue from operations (including GST) divided by average trade receivables (including GST)

Particulars	31 March 2024	31 March 2023
Revenue	1,66,135.93	1,73,499.11
Average Trade Receivables	26,186.00	24,170.44
Trade Receivables Turnover Ratio	7.49	8.47
% Change from previous year	**-11.61%**	

Reason for change more than 25%: Not Applicable

g) Trade Payables Turnover Ratio = Total Purchases (including GST) divided by average trade payables (including GST)

Particulars	31 March 2024	31 March 2023
Purchases	1,00,669.89	1,18,384.92
Other expenses*	40,658.72	39,179.60
Contractual Labour#	1,597.44	1,763.48
Total	1,42,926.04	1,59,327.99
Average Trade Payables	18,002.52	16,651.93
Trade Payables Turnover Ratio	**9.37**	**11.29**
% Change from previous year	**-17.02%**	
# Expenses incurred on Contractual Labour included in Employee Benefits Expense (Refer Note 34)		
***Refer Note 37 for Other Expenses, below other expenses have not been considered for above ratio calculation**		
Corporate Social Responsibility expense	242.34	142.45
Expected credit loss allowances for doubtful trade receivables	-	18.83
Net loss on account of foreign exchange fluctuation	72.59	-
Property, plant and equipment written off	26.66	6.19
Balances written off	13.40	3.11
Rates and taxes	95.03	83.70
Director sitting fees	-	23.50

Reason for change more than 25%: Not Applicable

h) Net Capital Turnover Ratio = Revenue divided by Working capital where working capital= current assets - current liabilities

Particulars	31 March 2024	31 March 2023
Revenue	1,66,135.93	1,73,499.11
Working Capital	38,412.31	37,777.16
Net Capital Turnover Ratio	**4.33**	**4.59**
% Change from previous year	**-5.83%**	

Reason for change more than 25%: Not Applicable

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

Particulars	31 March 2024	31 March 2023
i) Net Profit Ratio = Net profit after tax divided by revenue from operations		
Net profit after tax	9,162.80	10,044.78
Revenue	1,66,135.93	1,73,499.11
Net Profit Ratio	**5.52%**	**5.79%**
% Change from previous year	**-4.74%**	

Reason for change more than 25%: Not Applicable

j) Return on Capital Employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	31 March 2024	31 March 2023
Profit before tax (A)	12,285.78	13,430.57
Finance costs (B)	1,842.09	1,765.35
EBIT (C) = (A)+ (B)	**14,127.87**	**15,195.92**
Total Assets (D)	1,03,966.89	1,03,051.88
Total Liabilities (E)	32,031.43	38,830.48
Intangible Assets (F)	3.76	4.31
Tangible Net Worth (G)	71,931.70	64,217.09
Total Debt (H)	8,294.05	14,292.12
Deferred Tax Liability (I)	1,978.10	2,008.66
Capital employed (J) = (G) + (H) + (I)	**82,203.85**	**80,517.87**
Return on Capital Employed	**17.19%**	**18.87%**
% Change from previous year	**-8.94%**	

Reason for change more than 25%: Not Applicable

k) Return on Investment Ratio = Income generate from investments/Total Investments

Particulars	31 March 2024	31 March 2023
Income generate from investments	217.93	53.31
Total Investments	3,048.91	1,005.01
Return on Investment	**7.15%**	**5.30%**
% Change from previous year	**34.75%**	

Reason for change more than 25%: Return on investment ratio has been improved on account of increase in mutual fund yield in the current year.

NOTES TO THE FINANCIAL STATEMENTS for year ended 31 March 2024

(All amounts are in ₹ lakhs except for share data)

50 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) 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: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(xi) The Company including the Companies in the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company (CIC)

51 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Gaurav Mahajan
Partner
Membership number: 507857

Place: Chandigarh
Date: 1 May 2024

For and on behalf of the Board of Directors of
Vardhman Special Steels Limited

Sachit Jain
Vice Chairman & Managing Director
DIN : 00746409

R. K. Rewari
Executive Director
DIN : 00619240

Sanjeev Singla
Chief Financial Officer

Sonam Dhingra
Company Secretary

Place: Ludhiana
Date: 1 May 2024

NOTICE

NOTICE is hereby given that the **14TH ANNUAL GENERAL MEETING** of Vardhman Special Steels Limited will be held on Thursday, the 19th day of September, 2024 at 10:00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:-

ORDINARY BUSINESS:

Item No. 1 – To adopt financial statements:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with Report of Board of Directors and Auditors thereon.

Item No. 2 – To declare Dividend:

To declare a dividend of ₹2/- per equity share for the year ended 31st March, 2024.

Item No. 3 – To re-appoint Mr. Toshio Ito as a director liable to retire by rotation:

To appoint a Director in place of Mr. Toshio Ito, (holding DIN 09654963), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Item No. 4 – To re-appoint Mr. Rajinder Kumar Jain as a director liable to retire by rotation:

To appoint a Director in place of Mr. Rajinder Kumar Jain (holding DIN 00046541), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 5 - To approve continuation of directorship of Mr. Rajinder Kumar Jain as a Non-Executive Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members of the Company be and is hereby given for continuation of the directorship of Mr. Rajinder Kumar Jain (DIN: 00046541) as a Non-Executive Director of the Company.

Item No. 6 – To re-appoint Mr. Sachit Jain as the Vice-Chairman and Managing Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 & Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sachit Jain (DIN: 00746409), be and is hereby re-appointed as the Vice-Chairman and Managing Director of the Company, for a period of 5 (five) years starting from 1st April, 2025 to 31st March, 2030.

RESOLVED FURTHER THAT Mr. Sachit Jain shall be paid remuneration and other perquisites as per terms and conditions as detailed below:-

S. No.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹12,50,000/- to ₹17,50,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Commission	Commission equals to: - 3.04% of the Net Profit of the Company if the Return on Average Capital Employed (RoACE) for that year is more than or equals to 14% but upto 18%. - 5.32% of the Net Profit of the Company if RoACE is more than 18%. Nomination & Remuneration Committee is authorized to review on annual basis the appropriateness of excluding large un-commissioned assets and assets needed for expansion preparedness from RoACE computation, keeping in mind the competitive conditions prevailing in the industry.

S. No.	REMUNERATION	DETAILS
III.	Perquisites*	The perquisites may include, but are not limited to, free furnished residential accommodation (along with other amenities) or house rent allowance, leave travel concession, other allowances, club fees, personal accident insurance, medical reimbursement, use of company's car with driver (for official and personal use), telephone expenses (for official and personal use), gratuity, contribution to Provident Fund and other funds and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement and encashment of leave). Corresponding impact of basic salary on perquisites and allowances, in such form and to such extent that the annual CTC (other than commission) remains in the range of ₹3.00 crore to ₹4.25 crore.
IV.	Security Expenses	The expenses, as may be borne by the Company for providing security to Mr. Sachit Jain and his family shall not be considered as perquisites.

Explanation: "Family" means the spouse, the dependent children and dependent parents of the appointee.

*The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

"RoACE" means Operating Profit before Interest and Tax (Op EBIT) as a proportion of Average Capital Employed.

"Average Capital Employed" means average of opening and closing balance of capital employed of the relevant year.

RESOLVED FURTHER THAT if in any financial year during the tenure of Mr. Sachit Jain as the Vice-Chairman & Managing Director of the Company, the Company has no profits or its profits are inadequate, then the total remuneration payable to him shall be as per the terms and conditions enumerated above.

RESOLVED FURTHER THAT Mr. Rajendar Kumar Rewari, Executive Director, be and is hereby authorised to enter into an agreement with Mr. Sachit Jain in respect of his re-appointment as the Vice-Chairman & Managing Director of the Company, for and on behalf of the Company."

Item No. 7 – To revise the Commission payable to Mr. Sachit Jain, Vice-Chairman & Managing Director of the Company, for the financial year 2024-25:

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

"RESOLVED THAT in partial modification of the resolution dated 25th March, 2020, passed by the Members through Postal Ballot, in respect of remuneration payable to Mr. Sachit Jain (DIN: 00746409), Vice-Chairman & Managing Director of the Company, consent of the Members be and is hereby accorded to pay following commission to Mr. Sachit Jain for the Financial Year 2024-25, in place of the existing commission:

Commission	Commission equals to: - 3.04% of the Net Profit of the Company if the Return on Average Capital Employed (RoACE) for that year is more than or equals to 14% but upto 18%. - 5.32% of the Net Profit of the Company if RoACE is more than 18%.

"RoACE" means Operating Profit before Interest and Tax (Op EBIT) as a proportion of Average Capital Employed.

"Average Capital Employed" means average of opening and closing balance of capital employed of the relevant year.

Item No. 8 – To revise the Remuneration payable to Mr. Rajendar Kumar Rewari, Executive Director of the Company, w.e.f. the financial year 2024-25:

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

"RESOLVED THAT in supersession of the resolution passed by the Members in their 13th Annual General Meeting dated 27th September, 2023, in respect of remuneration payable to Mr. Rajendar Kumar Rewari (DIN: 00619240), Executive Director and pursuant to the provisions of Section 196, 197 & Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to pay following remuneration to Mr. Rajendar Kumar Rewari, Executive Director, w.e.f. financial year 2024-25 upto his remaining term i.e. upto 24th July, 2027:

S. No.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹5,25,000/- to ₹8,00,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Commission	Commission equals to: - 0.64% of the Net Profit of the Company if the Return on Average Capital Employed (RoACE) for that year is more than or equals to 14% but upto 18%. - 1.12% of the Net Profit of the Company if RoACE is more than 18%. Nomination & Remuneration Committee is authorized to review on annual basis the appropriateness of excluding large un-commissioned assets and assets needed for expansion preparedness from RoACE computation, keeping in mind the competitive conditions prevailing in the industry.
III.	Perquisites*	The perquisites may include, but are not limited to, house rent allowance, other allowances, leave travel concession, club fees, personal accident insurance, medical reimbursement, use of company's car with driver (for official and personal use), telephone expenses (for official and personal use), gratuity, contribution to Provident Fund and other funds and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement and encashment of leave). Corresponding impact of basic salary on perquisites and allowances, in such form and to such extent that the annual CTC (other than commission) remains in the range of ₹1.23 crore to ₹1.75 crore.

* In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of six months basic salary.

*The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

"RoACE" means Operating Profit before Interest and Tax (Op EBIT) as a proportion of Average Capital Employed.

"Average Capital Employed" means average of opening and closing balance of capital employed of the relevant year.

RESOLVED FURTHER THAT if in any financial year during the tenure of Mr. Rajendar Kumar Rewari as an Executive Director of the Company, the Company has no profits or its profits are inadequate, then the total remuneration payable to him shall be as per the terms and conditions enumerated above."

Item No. 9 – To revise the Remuneration payable to Ms. Soumya Jain, Executive Director of the Company, w.e.f. the financial year 2024-25:

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

"RESOLVED THAT in furtherance to the resolution passed by the Members in their 13th Annual General Meeting dated 27th September, 2023, in respect of appointment and remuneration payable to Ms. Soumya Jain (DIN: 10254459), Executive Director and pursuant to the provisions of Section 196, 197 & Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to pay following remuneration to Ms. Soumya Jain, w.e.f. financial year 2024-25 upto her remaining term, i.e. upto 1st August, 2028:

S. No.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹2,60,000/- to ₹4,00,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Commission	Commission equals to: - 0.32% of the Net Profit of the Company if the Return on Average Capital Employed (RoACE) for that year is more than or equals to 14% but upto 18%. - 0.56% of the Net Profit of the Company if RoACE is more than 18%. Nomination & Remuneration Committee is authorized to review on annual basis the appropriateness of excluding large un-commissioned assets and assets needed for expansion preparedness from RoACE computation, keeping in mind the competitive conditions prevailing in the industry.
III.	Perquisites*	The perquisites may include, but are not limited to, house rent allowance, other allowances, leave travel concession, club fees, personal accident insurance, medical reimbursement, use of company's car with driver (for official and personal use), telephone expenses (for official and personal use), gratuity, contribution to Provident Fund and other funds and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement and encashment of leave). Corresponding impact of basic salary on perquisites and allowances, in such form and to such extent that the annual CTC (other than commission) remains in the range of ₹60.00 lakh to ₹85.00 lakh.

*The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

"RoACE" means Operating Profit before Interest and Tax (Op EBIT) as a proportion of Average Capital Employed.

"Average Capital Employed" means average of opening and closing balance of capital employed of the relevant year.

RESOLVED FURTHER THAT if in any financial year during the tenure of Ms. Soumya Jain as an Executive Director of the Company, the Company has no profits or its profits are inadequate, then the total remuneration payable to her shall be as per the terms and conditions enumerated above."

Item No. 10 – To appoint Mr. Hemant Bharat Ram as an Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hemant Bharat Ram (DIN: 00150933), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of consecutive five (5) years starting from 25th July, 2024."

Item No. 11 – To ratify remuneration payable to Cost Auditors for the financial year ending 31st March, 2025:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Company, Cost Auditors, New Delhi appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025, be paid the remuneration of ₹56,000/- plus out of pocket expenses and applicable taxes.

RESOLVED FURTHER THAT Mr. Sachit Jain, Vice-Chairman & Managing Director and Mrs. Sonam Dhingra, Company Secretary, be and are hereby severally authorized to do all acts and take all such steps as may be deemed necessary or expedient to give effect to this resolution."

By Order of the Board

Place: Ludhiana
Date: 25th July, 2024

(Sonam Dhingra)
Company Secretary

NOTES:

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its circular dated September 25, 2023, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as **"MCA Circulars"**), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended) and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the agency to provide e-Voting facility.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice (Refer Point 12). The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc.

4. Generally, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed hereto.

5. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

6. The information pursuant to Regulation 36 of the SEBI Listing Regulations, regarding the Director retiring by rotation/ seeking appointment or re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 7th September, 2024 to 14th September, 2024 (both days inclusive).

8. The relevant statutory registers/documents will be available electronically for inspection by the Members during the AGM. Further, the documents referred to in the Notice, if any, will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email at secretarial.lud@vardhman.com

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

9. In compliance with the MCA Circulars and SEBI Circular dated January 5, 2023 read with circular dated May 13, 2022, January 15, 2021 and May 12, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.vardhman.com / www.vardhmansteel.com, website of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on website of Central Depository Services (India) Limited (e-Voting agency) at www.evotingindia.com.

10. For receiving all communications (including Annual Report) from the Company electronically:

    a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at secretarial.lud@vardhman.com or to RTA at rta@alankit.com

    b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

11. INTRUCTIONS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING AS UNDER:

(i) The Remote e-Voting period commences on 16th September, 2024 (9:00 a.m.) and ends on 18th September, 2024 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th September, 2024, may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting after end of voting period on 18th September, 2024.

Further, the facility for voting through electronic voting system will also be made available at the Meeting and Members attending the Meeting will be able to vote at the Meeting.

(ii) Members who have already voted through Remote e-Voting would not be entitled to vote during the AGM.

(iii) As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-Voting Facility provided by Listed Entities, "individual shareholders holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The procedure to login and access remote e-Voting and join virtual meeting, as devised by the Depositories / Depository Participant(s), is given below:

Option 1 – Login through Depositories

NSDL	CDSL
1. Members who have already registered for IDeAS facility to follow below steps: (i) Go to URL: https://eservices.nsdl.com (ii) Click on the "Beneficial Owner" icon under 'IDeAS' section. (iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on "Access to e-Voting". (iv) Click on the Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	**1. Members who have already registered for Easi / Easiest to follow below steps:** (i) Go to URL: www.cdslindia.com and then go to Login and select New System Myeasi. (ii) Login with user id and password. (iii) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication. (iv) Click on the Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.
2. User not registered for IDeAS e-Services: (i) To register click on link: https://eservices.nsdl.com. Select option "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp . (ii) Proceed with completing the required fields.	**2. User not registered for Easi/Easiest:** (i) Option to register is available at www.cdslindia.com (ii) Click on login & New System Myeasi Tab and then click on registration option.
3. Users can directly access e-Voting module of NSDL and follow the below process: (i) Go to URL: https://www.evoting.nsdl.com/ (ii) Click on the icon "Login" which is available under 'Shareholder/Member' section. (iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. (iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. (v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	**3. Users can directly access e-Voting module of CDSL and follow the below process:** (i) Go to URL: www.cdslindia.com (ii) Click on the icon "E-Voting" (iii) Provide Demat Account Number and PAN No. (iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat account. (v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress. (vi) Click on the Company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 21 09911.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders:**

(i) The Members should log on to the e-Voting website www.evotingindia.com.

(ii) Click on "Shareholders" module.

(iii) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

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

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details Or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

(x) Click on the EVSN: 240822038 for <**Vardhman Special Steels Limited**> on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Additional facility for Non-Individual Shareholders and Custodians – for Remote e-Voting only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial.lud@vardhman.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

12. INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

a. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-Voting at point no. 11.

b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.

c. Members are encouraged to join the Meeting through Laptops / iPads for better experience.

d. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

e. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

f. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial.lud@vardhman.com. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of AGM.

g. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

h. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

13. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to secretarial.lud@vardhman.com/ rta@alankit.com.

b. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP).

c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 21 09911.

14. M/s. Harsh Goyal & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer shall upon the conclusion of e-Voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

15. The Results of the resolutions passed at the AGM of the Company will be declared within 2 working days of the conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website www.vardhman.com / www.vardhmansteel.com and on the website of CDSL and will be communicated to the Stock Exchanges.

16. The Securities and Exchange Board of India has mandated that with effect from April 1, 2024, dividend to shareholders holding shares in physical form shall be paid only through electronic mode. Such payment shall be made only if the folio is KYC compliant i.e. the details of PAN, choice of nomination, contact details, mobile number, complete bank details and specimen signatures are registered.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend / interest etc. shall be paid upon furnishing all the aforesaid details in entirety.

Hence, the Members are requested to update their details with Company/Alankit Assignments Limited, immediately, to avoid any delay in receipt of dividend.

17. Dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961. In general, no tax will be deducted on payment of dividend to category of Members who are resident individuals (with valid PAN details updated in their folio/client ID records) and the total dividend amount payable to them does not exceed ₹5,000/-. Members not falling in the said category, can go through the detailed note with regard to applicability of tax rates for various other categories of members and the documents that need to be submitted for nil or lower tax rate, which has been provided on the Company's website at https://www.vardhman.com/Investors/InvestorHelp

By Order of the Board

(Sonam Dhingra)
Company Secretary

Place: Ludhiana
Date: 25th July, 2024

ANNEXURE TO THE NOTICE:

Statement pursuant to section 102 of the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Item No. 5 of the Special Business:

Pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f April 1, 2019, approval of the shareholders is required by way of a Special Resolution for continuing the directorship of any Non-Executive Director who has attained the age of 75 years.

Now, pursuant to these provisions, for continuation of directorship of Mr. Rajinder Kumar Jain who is aged about 85 years and proposed to be re-appointed in this AGM as a director liable to retire by rotation, a Special Resolution is required to be approved by the Members of the Company.

Mr. Rajinder Kumar Jain holds degree in Chartered Mechanical Engineer from the Institute of Mechanical Engineers, London. He is an Engineer and has retired as General Manager from Indian Railways. After 35 years of service, he is associated with the Company for more than thirteen years. Now, considering his vast and rich experience and expertise, the Board of Directors recommends this Special Resolution for the approval of the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Rajinder Kumar Jain, appointee, Mr. Sachit Jain, Mrs. Suchita Jain and Ms. Soumya Jain, being relatives of the appointee, none of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6 of the Special Business:

The Board of Directors vide its resolution dated 7th February, 2020 had re-appointed Mr. Sachit Jain as the Vice-Chairman & Managing Director of the Company for a period of five years with effect from 1st April, 2020 to 31st March, 2025. His appointment was approved by the Members through their Postal ballot on 25th March, 2020.

Mr. Sachit Jain is a B. Tech from IIT (Delhi), MBA from IIM (Ahmedabad) & has done Owner/ President Management Program from Harvard University. He has experience of over 34 years in the Textile and Steel Industry. Considering his hard work and dedicated efforts being put up by him in managing the key operations of the Company, the Board of Directors of your Company, based on the recommendations of the Nomination and Remuneration Committee, has approved the re-appointment Mr. Sachit Jain as the Vice-Chairman & Managing Director of the Company for a term of five years starting from 1st April, 2025 to 31st March, 2030. The terms and conditions of the remuneration proposed to be paid to him are detailed in the resolution set out at Item No. 6. His re-appointment is subject to the approval of the Members of the Company.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for the approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Sachit Jain, being appointee, Mrs. Suchita Jain, Ms. Soumya Jain and Mr. Rajinder Kumar Jain, being relatives of the appointee, none of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7 of the Special Business:

The Members of the Company, vide their resolution passed through Postal ballot on 25th March, 2020, had re-appointed Mr. Sachit Jain as the Vice-Chairman & Managing Director of the Company for a term of five years with effect from 1st April, 2020 to 31st March, 2025 and fixed the remuneration (including commission) payable to him for the said term.

The Members approved to pay following annual Commission to Mr. Jain during his tenure of appointment:-

- 4% of the Net Profit of the Company if the Return on Capital Employed (RoCE) for that year is more than 10% but upto 12%.
- 6% of the Net Profit of the Company if RoCE is more than 12%.

"RoCE" means Operating Profit before Interest and Tax (Op EBIT) as a proportion of Total Capital Employed.

Now, the Board of Directors in its meeting held on 25th July, 2024, based on the recommendation of the Nomination & Remuneration Committee and subject to approval of the Members of the Company in this Annual General Meeting, has revised the criteria of Commission payable to all three Whole-time Directors of the Company.

The revised Commission payable to Mr. Sachit Jain for the FY 2024-25 is detailed in the resolution set out at Item No. 7. This revision in Commission is subject to the approval of the Members of the Company.

The Board recommends the Special Resolution as set out at Item No. 7 of the Notice for the approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Sachit Jain himself and Mrs. Suchita Jain, Ms. Soumya Jain & Mr. Rajinder Kumar Jain, being his relatives, none of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Item No. 8 of the Special Business:

The Board of Directors vide its resolution dated 25th July, 2022, had appointed Mr. Rajendar Kumar Rewari as an Executive Director of the Company for a term of 5 (five) years starting from 25th July, 2022 to 24th July, 2027. His appointment was approved by the Members in their Annual General Meeting held on 30th September, 2022. His remuneration was further revised by the Board of Directors in its meeting held on 2nd August, 2023 and the same was approved by Shareholders in the Annual General Meeting held on 27th September, 2023.

Now, the Board of Directors in its meeting held on 25th July, 2024, based on the recommendation of the Nomination & Remuneration Committee and subject to approval of the Members of the Company in this Annual General Meeting, has revised the criteria of Commission payable to all three Whole-time Directors of the Company. In addition to this, the Board has also decided to review his CTC annually and make appropriate inflationary & market based corrections, within the overall limit approved by the shareholders of the Company.

The revised remuneration payable to Mr. Rewari w.e.f. FY 2024-25 is detailed in the resolution set out at Item No. 8. This revision in remuneration is subject to the approval of the Members of the Company.

The Board recommends the Special Resolution as set out at Item No. 8 of the Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Rajendar Kumar Rewari himself, none of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9 of the Special Business:

The Board of Directors vide its resolution dated 2nd August, 2023, had appointed Ms. Soumya Jain as an Executive Director of the Company for a term of 5 (five) consecutive years starting from 2nd August, 2023 to 1st August, 2028. Her appointment was approved by the Members in their Annual General Meeting held on 27th September, 2023.

Now, the Board of Directors in its meeting held on 25th July, 2024, based on the recommendation of the Nomination & Remuneration Committee and subject to approval of the Members of the Company in this Annual General Meeting, has revised the criteria of Commission payable to all three Whole-time Directors of the Company. In addition to this, the Board has also decided to review her CTC annually and make appropriate inflationary & market based corrections, within the overall limit approved by the shareholders of the Company.

The revised remuneration payable to Ms. Soumya Jain w.e.f. FY 2024-25 is detailed in the resolution set out at Item No. 9. This revision in remuneration is subject to the approval of the Members of the Company.

The Board recommends the Special Resolution as set out at Item No. 9 of the Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Ms. Soumya Jain herself and Mr. Sachit Jain, Mrs. Suchita Jain, & Mr. Rajinder Kumar Jain, being her relatives, none of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

Item No. 10 of the Special Business:

The Board of Directors in its meeting held on 25th July, 2024, on the basis of recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, had appointed Mr. Hemant Bharat Ram (DIN: 00150933) as an Additional Director, designated as an Independent Director, of the Company w.e.f. 25th July, 2024 to hold office upto the date of forthcoming Annual General Meeting. His term of appointment as an Independent Director will be five consecutive years starting from 25th July, 2024. He will be paid sitting fees and incidental expenses for attending the Board/ Committee Meetings, as applicable to other Independent Directors of the Company.

Mr. Hemant Bharat Ram holds a Master's degree in Industrial Administration (MBA) and a Bachelor's degree in Mathematics and Computer Science, both from Carnegie Mellon University, Pittsburgh, PA, USA. Mr. Hemant Bharat Ram is the Managing Director of DCM Nouvelle Limited. Under his leadership, DCM Nouvelle Limited has grown manifold times and become a significant exporter of cotton yarn worldwide. Prior to assuming his current role, he led the Textile Business of DCM Limited for over 9 years.He started his career with DCM Data Product (Now DCM Data Systems) in 1991 and was later appointed as an Executive Director of the IT Division of DCM (DCM Data Systems and DCM Technologies Ltd.). After successfully turning around the IT Division, he was appointed as Vice Chairman of DCM Engineering Ltd, Ropar, who made record profit under his leadership. He is past President of Manufacturers' Association of Information Technology (MAIT) and an ex-member of National Council of Confederation of Indian Industries (CII). Presently, he is a Member of Association of Computing Machinery (ACM), USA and Institute of Electrical & Electronics Engineers (IEEE), USA. He is in Management Committee of Shri Ram Centre for Performing Arts.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the Members of the Company. Further, pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall take approval of shareholders for appointment of Director at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Hemant Bharat Ram require the approval of Members.

The Company has received requisite notice in writing from a Member proposing appointment of Mr. Hemant Bharat Ram as a candidate for the office of Independent Director of the Company for a term of consecutive five (5) years starting from 25th July, 2024.

The Company has received consent from Mr. Hemant Bharat Ram and also a declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Hemant Bharat Ram is Independent of the Management and in the opinion of the Board, fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mr. Hemant Bharat Ram is provided at the end of this statement.

The Board recommends the Special Resolution as set out at Item No. 10 of the Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Hemant Bharat Ram, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

Item No. 11 of the Special Business:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on 25th July, 2024, appointed M/s. Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, New Delhi as Cost Auditors of the Company to conduct Cost Audit for the Financial Year ending 31st March, 2025, at a remuneration of ₹56,000/- plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, the consent of the Members is solicited for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of payment of remuneration as stated above to the Cost Auditors for the Financial Year ending 31st March, 2025. The Board recommends the Ordinary Resolution as set out at Item No. 11 of the Notice for the approval by the Members.

Memorandum of Interest:

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), regarding the Directors retiring by rotation/ seeking appointment in the Annual General Meeting.

Name of the Director	Mr. Toshio Ito	Mr. Rajinder Kumar Jain	Mr. Sachit Jain	Mr. Hemant Bharat Ram
Date of Birth	17.10.1962	07.02.1939	08.07.1966	16.10.1965
Age	62	85	58	59
Date of First Appointment	25.07.2022	15.03.2011	14.05.2010	25.07.2024
No. of meetings attended during the FY 2023-24	5	5	5	N.A.
Expertise in specific functional area	Mr. Toshio Ito is a Mechanical Engineer. He has rich experience as a Plant Manager at steelmaking, rolling mill and forging plants of Aichi Steel.	Mr. Rajinder Kumar is an Engineer and has retired as General Manager from Indian Railways.	Mr. Sachit Jain is a Business Executive having experience of more than 34 years in Textile and Steel Industry.	Mr. Hemant Bharat Ram is an Industrialist having experience of more than 32 years in Textile, Engineering & IT sector. (more specifically detailed in Explanatory Statement to Item No. 10 above.)
Qualification	Mechanical Engineer, Nagoya University, Japan.	Chartered Mechanical Engineer, The Institute of Mechanical Engineers, London.	B. Tech., MBA	Bachelor's degree in Mathematics and Computer Science, Master's degree in Industrial Administration (MBA), Carnegie Mellon University, Pittsburgh, PA, USA
Directorships in other Listed Companies as on 31st March, 2024	Nil	Nil	1. Vardhman Textiles Limited 2. Vardhman Holdings Limited 3. Vardhman Acrylics Limited	1. DCM Nouvelle Limited
Chairperson/ Member of Committees of other Listed Companies as on 31st March, 2024	Nil	Nil	**Vardhman Textiles Limited:** - Stakeholder's Relationship Committee (Member) - Corporate Social Responsibility Committee (Member) - Share Transfer Committee (Member) **Vardhman Holdings Limited:** - Nomination & Remuneration Committee (Member) - Stakeholder's Relationship Committee (Member) - Risk Management Committee (Chairman) - Share Transfer Committee (Member) **Vardhman Acrylics Limited:** - Corporate Social Responsibility Committee (Chairman)	**DCM Nouvelle Limited:** - Risk Management Committee (Chairman) - Corporate Social Responsibility Committee (Chairman)
Listed entity from which the Director resigned in last 3 years	Nil	Nil	Nil	Nil
Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met	N.A.	N.A.	N.A.	- Strategic Planning, Leadership, Financial expertise and Administrative experience. - He will contribute the Board with his rich experience in the areas of strategic planning, manufacturing, ESG and IT sector, etc.
Shareholding in the Company	Nil	36,340	1,12,26,238	Nil
Relationship with other Directors/ KMP	Not related to any Director.	Mr. Sachit Jain is son, Mrs. Suchita Jain is daughter-in-law and Ms. Soumya Jain is grand daughter of Mr. Rajinder Kumar Jain.	Mr. Rajinder Kumar Jain is father, Mrs. Suchita Jain is wife and Ms. Soumya Jain is daughter of Mr. Sachit Jain.	Not related to any Director.

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