

Formerly known as HIMACHAL FIBRES LIMITED



To,  
**BSE Limited**  
**PhirozeJeejeebhoy Tower,**  
**Dalal Street,**  
**Mumbai - 400001**

Dated: 06.09.2024

**RUDRAECO | 514010 | INE723D01021**

**Sub: Submission of Annual Report for the Financial Year 2023-24 of “Rudra Ecovation Limited”.**

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulation, 2015 we are submitting herewith the Annual Report of the Company for the Financial Year ended 31st March, 2024 together with Notice convening of 43<sup>rd</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Monday, 30<sup>th</sup> September, 2024 at 01:00 P.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the 43<sup>rd</sup> AGM and the Annual Report of the Company for the Financial year 2023-24 is being sent through electronic mode to all the members of the Company whose email addresses are registered with the Company/Company’s Registrar and Transfer Agent i.e. Beetal Financial & Computer Services Pvt. Ltd./Depository Participant(s).

The Annual Report for the Financial Year 2023-24 including the Notice convening the 43<sup>rd</sup> AGM is also available on the website of the Company at <https://rudraecovation.com/investor-relations/annual-reports/>

You are requested to kindly take note of the above information on your records.

Thanking You,

Your’s Faithfully  
**For RUDRA ECOVATION LIMITED**  
**(Formerly Known as Himachal Fibres Limited)**

**Nancy Singla**  
**Company Secretary and Compliance Officer**

✉ hfl.corporate@gmail.com    🌐 www.rudraecovation.com  
📍 Registered Office : Plot No. 43-44, Industrial Area, Barotiwala-174103 (HP)  
Corporate office : 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar,  
Ferozepur Road, Opposite Waves Mall, Ludhiana-141012, Punjab

CIN - L17119HP1980PLC031020

**Recycle today for a better tomorrow !**



## **Disclaimer**

**In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements that we periodically make, contain forward-looking statements that set out anticipated results based on the company's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. Although we are confident to achieve the above stated forward looking statements will be realized and we believe we have been prudent in our assumptions. The achievement of results is subject to risks and uncertainties in future. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.**

**CORPORATE INFORMATION****Board of Directors**

Mr. Gian Chand Thakur-Whole Time Director  
Mr. Akhil Malhotra-Non-Executive Director  
Mr. Manoj Kumar-Non-Executive Director  
Mr. Vinod Kumar Goyal-Executive Director  
Mr. B.S. Goyal- Independent Director  
Mr. Surjit Singh- Independent Director  
Ms. Malkeet Kaur- Independent Director

**Chief Executive Officer**

Mr. Vinod Kumar Goyal

**Chief Financial Officer**

Mr. Sebastian Joseph

**Company Secretary cum  
Compliance officer**

Ms. Laxmi Khatri (resigned w.e.f.  
30.05.2023) Ms. Sharon Arora (From  
31.05.2023- 23.11.2023)

Mr. Kanwar Nitin Singh (From  
23.11.2023 till 12.12.2023)

Ms. Nancy Singla (Appointed w.e.f.  
05.01.2024)

**Unit Heads**

Ishani Bansal- Director- Marketing  
Officer

**Statutory Auditors**

M/S Manjul Mittal & Associates  
Chartered Accountant  
32, Green Enclave, Near Ferozpur Road,  
Octroi Post, Barewal, Ludhiana-141001

**Secretarial Auditors**

Bhambri & Associates Company  
Secretary in practice SCO-9, 2<sup>nd</sup> Floor,  
Jandu Tower, Miller Ganj, Ludhiana-  
141003

**Bankers:**

State Bank of India  
HDFC Bank  
IndusInd Bank

**Registrar & Share Transfer Agent**

Beetal Financial & Computer Services  
(P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Centre, Near  
Dada Harsukh Dass Mandir,  
New Delhi-110062,  
beetalrta@gmail.com

**Registered Office/ Works**

Plot No. 43-44, Industrial Area,  
Barotiwala- 174103 (Himachal Pradesh)

**Corporate Office**

4<sup>th</sup> Floor, Woodstock, Tower, B-35/958,  
Adarsh Nagar, Ferozpur Road, Opposite  
Waves Mall, Ludhiana, Punjab, India-  
141012

**43rd Annual General Meeting**

**Monday, September 30, 2024,  
At 03:00 P.M. , Registered office: 43,44,  
Industrial Area, Barotiwala, Himachal  
Pradesh- 174103**

# Index

## Content Topics

Corporate Information	2
Chairman's Message	4-8
Notice	9-25
Board Report	26-35
Director's Report & Annexures	35-43
Management Discussion & Analysis Report	43-50
Corporate Governance Report	50-63
CEO and CFO Certification	63
Certificate of Compliance for Corporate Governance	64
Certificate of Non-Disqualification of Directors	64-65
Independent Auditor's Report	65-93
Cash Flow Statement	94-95
Balance Sheet	96-97
Profit & Loss	98-99
Notes to Financial Statement	100-118

# CHAIRMAN'S MESSAGE



## *Dear Valued Stakeholder's*

It gives me immense pleasure to share my view with our valued stakeholders and present Annual Report for the financial year 2023-24. This has been a transformative year for our company, marked by significant strategic initiatives as your company forayed into waste plastic recycling business which would be game changer for the company in the coming years. In line with this, your company had in principally decided to merge with Shiva Textfab Ltd., subject to approval of relevant authorities.

Your company has also decided to acquire approx. 21.46% equity stake in Shiva Textfabs Ltd. The purpose of this investment is to fund ongoing expansion in Shiva Textfabs pending the merger of these two entities. Shiva Textfab has one of largest integrated plastic recycling plant with the capacity to recycle 8.8 Million Plastic Bottles each day. Shiva Textfab have consistently demonstrated unwavering commitment to sustainability, positioning itself as a trailblazer in PET waste recycling. Based in Ludhiana, Punjab, with sprawling 100-acre state-of-the-art facility proudly stands as India's preeminent integrated manufacturing unit for rPET waste recycling. Over our **illustrious 26-year journey**, have not only achieved the impressive feat of reducing global CO2 emissions by more than 1,40,000 metric tons annually, but have also become synonymous with cutting-edge environmental solutions with a diverse product range for Pet Flakes, Fibre, Spun Yarn, filament yarn and rPET Upcycled fabric Anaura.

**The circular economy is emerging as one of the largest economic opportunities; it offers a USD 10 Trillion global opportunity in reducing waste, stimulating innovation and creating employment. It promotes clean technologies, creates jobs in sustainable industries, and positions businesses and economies at the forefront of a globally transitioning market.**

There is a growing demand for sustainable products in India and globally as they help lower carbon footprint, reduce plastic waste, decrease reliance on virgin materials, conserve valuable resources, and support a circular economy by recycling and reusing waste plastic materials. The foray into this new business and the planned acquisition and merger will help the company in completely transforming itself and in creating long- term value for all stakeholders with opportunities for business growth.



*Growth Road Ahead :*

- **Setting Up New Capacities:** Setting up new capacities for Fibre, Filament, B2B (Bottle to Bottle Chips) and Acoustic Panels
- **Achieving 100% Capacity Utilization:** Targeting to achieve 100% utilization of expanded capacity (including new capacities) by FY 2027
- **Margin Goals:** Expected EBITDA margins between 16% and 17% at full capacity.
- **Focus on Value-Added Products:** Emphasizing high-margin product lines like Anaura, Non Wovens, B2B, and Acoustic Panels
- **Revenue Potential:** Projected top line potential of INR 1,700 crore at 100% expanded capacity utilization.
- **Next Expansion** Next phase of expansion for capacity enhancement of Anaura and Non woven to fully forward integrate the surplus fibre capacity (to be planned post optimum utilization of present expanded capacities)

## ***Leadership***

We are strengthening our leadership team to enhance corporate resilience and drive expanded capacity. We are pleased to announce the appointment of:

- **Mr. V.K. Goyal as Executive Director/Chief Executive Officer (CEO):**

He is an Innovative marketer and a business leader known for his exceptional talent development, crisis management, operational excellence, and financial acumen. His strategic vision, effective decision-making, and ability to build strong client relationships are key assets that he brings here in Rudra. Mr. Goyal was earlier associated with Trident Yarn, as Business Head and CEO, as an Executive Director, SEL Manufacturing Co(14 years), also as a CEO of Vardhman Textiles (30 years).



- **Ms. Ishani Bansal - Director- Marketing**

Mrs. Ishani Bansal has more than 1 year experience in the field of marketing. She has worked as management trainee in marketing department of Shiva Textfabs Limited. She has done degree in English Honours. Expertise in brand development, digital marketing, market research, and strategic planning. Proven ability to increase revenue, build brand awareness, and implement innovative marketing solutions.



We participated in three major events including Bharat TEX, AYCS, and GCPRS along with Shiva Textfab s Ltd. getting a phenomenal response for our products. We plan to participate in more national as well as international events and exhibitions, establishing Rudra Ecovation as the industry leader and building visibility for our range of products.

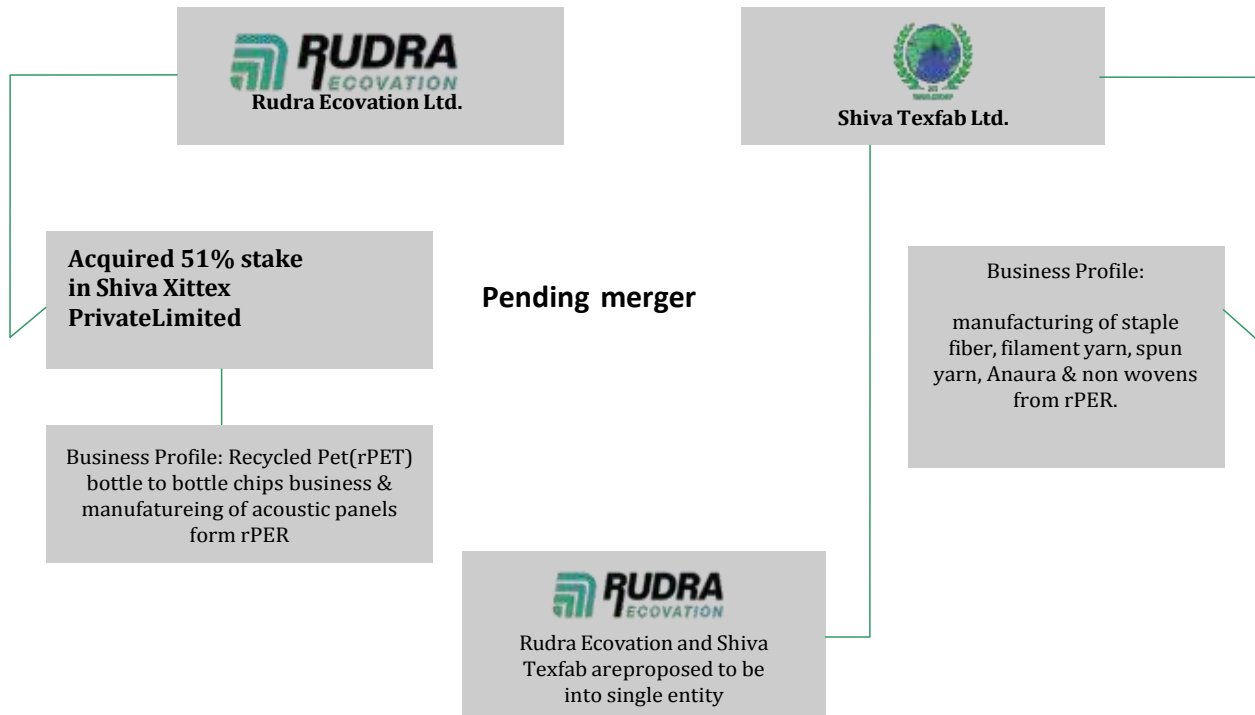
As always, thank you for your support.

**Warm Regards**

**Akhil Malhotra**

**Chairman**

## Corporate Restructuring



## Combined Product Offerings



**PET Flakes**



**Fiber**



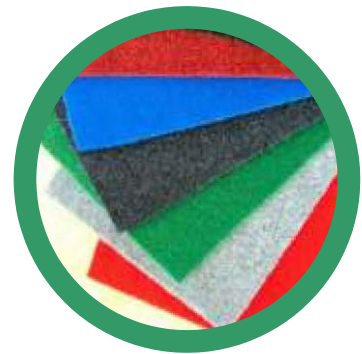
**Spun Yarn**



**Filament Yarn**



**Anaura (rpet Fabric)**



**Non Woven Carpets**



## Proposed Expansion

Capacity to 400 per day

### ANAURA (R-PET Fiber) :

(Current Capacity 3,20,000 Sq. Mt. /day) Modernization of Tumbling, Stenter, Peaching, Dyeing & Printing machines, Capacity to 80 MT per day with added Upcycled fabric. 125 MT to 225 MT per day

**Fiber Plant :**  
Increase in capacity from 125 MT to 225 MT per day

### Spun Yarn & Filament Yarn:

Increase in capacity of Filament from 24 MT to 48 MT per day

### Non Wovens :

(Current Capacity 40,000 Sq. Mt. Per day) Modernization of Tumbling, Stenter, Peaching, Dyeing & printing machines.

### Bottle to bottle & Acoustic Panels:

New Capacity will be 20 MT per day & Setting acoustic panels new capacity

## Introducing Anaura

**ANAURA**  
FUTURE-PROOF FASHION

BORN OUT OF EXTENSIVE RESEARCH, INNOVATION, CUTTING EDGE TECHNOLOGY AND **ESG WAY OF WORKING**

Reduced Water Consumption

Recycled R-PET Bottles

WHY ANAURA STANDS OUT?

Skin friendly

Stretchable

Durable

Sustainable

Eco-friendly

**NOTICE**

Notice is hereby given that the **43<sup>rd</sup> Annual General Meeting (AGM)** of the members of **RUDRA ECOVATION LIMITED** Company will be held on Monday, the 30<sup>th</sup> day of September, 2024 at 01:00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India in this regard, to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements along with reports of the Board of Directors and Auditors thereon for the financial year ended 31st March, 2024. (Ordinary Resolution)
2. To consider and approve, with or without modification, the appointment of Mr. Akhil Malhotra (DIN: 00126240) Non-Executive Non-Independent Director, who retires by rotation and being eligible, offers himself for reappointment. (Ordinary Resolution)

**SPECIAL BUSINESS:**

To consider and if thought fit, pass with or without modification(s), the following Resolutions:

3. **APPOINTMENT / CHANGE IN DESIGNATION OF MR. VINOD KUMAR GOYAL (DIN: 02751391) TO AN EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to the provisions of the Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force) in context of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and the Articles of Association of the Company, and in pursuance to recommendation of Nomination and Remuneration Committee of the Company at its meeting held on July 22, 2024, Mr. Vinod Kumar Goyal, having DIN: 02751391, was appointed as Additional director, consent of the shareholders be and is hereby accorded to appoint Mr. Vinod Kumar Goyal, having DIN: 02751391, as an Executive Director, designated as Executive Director & Chief Executive Officer of the Company w.e.f. July 22, 2024 for a period of 5 (five) years from July 22, 2024 till July 21, 2029 and whose office is liable to retire by rotation, and on such terms and conditions as stated herein below and more elaborated in the explanatory statement and mutually agreed between the Company and Mr. Vinod Kumar Goyal.

**RESOLVED FURTHER THAT** approval of members of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include any Committee duly constituted by the Board) to give annual increments to Mr. Vinod Kumar Goyal during the term of his appointment subject to maximum limits allowed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable provisions including amendments if any.

**RESOLVED FURTHER THAT** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of appointment of Mr. Vinod Kumar Goyal, the Company has no profits or its profits are inadequate, the Company shall pay to him remuneration by way of salary, benefits, and perquisites as applicable to him.

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as the “Board” which expression shall also include any Committee duly constituted by the Board) be and is hereby authorized to do all such acts, deeds or things as may be required to give effect to the aforesaid resolution.”

4. **TO ADOPT THE NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to Section 5 and 14 and other applicable provisions, if any, of the Act, read with Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force subject to the necessary approval(s) required under all other applicable laws and regulations if any, consent of the members be and is hereby accorded to alter the existing Articles of Association of the

company, by replacing, it with the new set of Articles of Association in accordance with Table 'F' of Schedule I of the Act and that the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in exclusion and in substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** Board of Directors be and are hereby severally authorised on behalf of the Company to sign and execute all such applications, forms and documents as required, and to do all such acts, deeds, matters and things as may be necessary and to settle any questions, difficulties, or doubts that may arise in this regard, and to accede to such modification to the aforementioned resolution a may be suggested by the Registrar of Companies or such other authorities arising from or incidental to the said amendment without requiring any further approval of the Board."

**5. TO APPROVE RELATED PARTY TRANSACTION(S) TO BE ENTERED INTO DURING THE FINANCIAL YEAR 2024-25.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the Company or its subsidiary or associates Company or any other transactions of whatever nature with related parties.

**RESLOVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary ,proper , expedient or incidental thereto for the purpose of giving effect to this Resolution."

**6. POWER TO BORROW FUNDS UNDER SECTION 180 (1)(c) OF THE COMPANIES ACT, 2013.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to borrow money through loans, advances, credit etc. from banks, financial institutions, non-banking financial companies / strategic investors and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and / or for the purpose of any other financial or corporate requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate paid-up share capital of the Company and its free reserves, (that is to say reserve not set apart for any specific purpose) provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 25 Crore (Rupees Twenty Five Crore) or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board or Officers authorised by them in this regard be and are hereby authorised to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages/charges as aforesaid."

**7. TO MAKE INVESTMENTS, GIVE LOANS, GUARANTEES AND PROVIDE SECURITIES IN EXCESS OF THE LIMITS SPECIFIED UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

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 the Section 186 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any Committee which Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to

- (a) give loan to any person or other body corporate;
- (b) give guarantee or provide security in connection with a loan to any other body corporate or person; and
- (c) acquire by way of subscription, purchase or otherwise the securities of any other body corporate,

upto a maximum aggregate amount of Rs.200 crores, in one or more tranches, outstanding at any point of time, over and above the permissible limits under Section 186(2) of the Companies Act, 2013 (presently being 60 percent of the Company’s paid up capital, free reserves and securities premium account or one hundred percent of the Company’s free reserves and securities premium account, whichever is more).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment and varying the same either in part or in full as it may deem appropriate and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to this resolution.

**8. TO APPOINT/CHANGE IN DESIGNATION OF MR. ANIL SINGLA TO AN INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**.

**RESOLVED THAT** pursuant to the applicable provisions of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Anil Singla (DIN: 07404704), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 02.09.2024 in terms of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice and declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act and who is eligible for appointment, be and is hereby appointed as an Non-Executive Independent Director, not liable to retire by rotation, to hold office for a term of Five Consecutive Years w.e.f. September 02, 2024.

**RESOLVED FURTHER THAT** Directors of the Company be and are hereby severally authorized on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies.”

**9. TO APPOINT/CHANGE IN DESIGNATION OF MRS. KAJAL RAI TO AN INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**.

**RESOLVED THAT** pursuant to the applicable provisions of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mrs. Kajal Rai (DIN: 07366983), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 02.09.2024 in terms of Section 161(1) of the

Companies Act, 2013 and in respect of whom the Company has received a notice and declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act and who is eligible for appointment, be and is hereby appointed as an Non-Executive Independent Director, not liable to retire by rotation, to hold office for a term of Five Consecutive Years w.e.f. September 02, 2024.

**RESOLVED FURTHER THAT** Directors of the Company be and are hereby severally authorized on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies.”

**10. TO APPOINT OR TO HOLD OFFICE OR PLACE OF PROFIT IN THE COMPANY BY MRS. ISHANI BANSAL.**

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

“**RESOLVED THAT** pursuant to the provisions of sections 188(1), 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded to the appointment of Mrs. Ishani Bansal (Daughter of Mr. Akhil Malhotra, Non- Executive Non Independent Director) holding office or place of profit, as Director- Marketing of the Company, , w.e.f August 14, 2024 as detailed below:

- CTC: Rs 2,00,000/- (Rs. Two Lakh Only) P.M.
- HRA @ 15% per month of the Basic Salary.
- Telephone: Mobile/Telephone facility as per the Company’s rules.
- Leave encashment as per the Company’s rules.
- Bonus as per the Company’s rules.
- Provident Fund: Company’s contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month’s salary for each completed year of service as per Company’s rules.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company’s business.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of Mrs. Ishani Bansal Kumar holding office or place of profit, within the maximum limit approved by the shareholders.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing Resolution, the board of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority.”

**By order of the Board  
For Rudra Ecovation Limited  
(Formerly Known as Himachal Fibres Limited)**

**Sd/-  
Nancy Singla  
Company Secretary**

**Place: Ludhiana  
Date: September 02, 2024**

**Registered Office: 43-44, Industrial Area, Barotiwala-174103(Himachal Pradesh)  
Corporate Office: 4<sup>th</sup> Floor, Wood Stock Tower, B-35/958, Adarsh Nagar,  
Ferozepur Road, Opposite Waves Mall, Ludhiana, Punjab-141012  
CIN: L17119HP1980PLC031020/ L43292HP1980PLC031020  
Website: [www.rudraecovation.com](http://www.rudraecovation.com)  
Email: [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)**

## NOTES:

- i) The Ministry of Corporate Affairs (MCA) vide its Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") has permitted to conduct the Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM") upto September 30, 2024. In compliance with aforesaid MCA Circulars, the 43rd Annual General Meeting will be held through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the Members at a common venue. Members can attend and participate in the ensuing AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. xxvii. The 43rd AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.
- ii) The venue of the Meeting shall be deemed to be the Registered Office of the Company.
- iii) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this Notice.
- iv) Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013, body corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
- v) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- vi) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- vii) In line with the MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021 and May 13, 2022 and January 5, 2023, the Notice calling the AGM along with Annual Report for the year 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 Notice and Annual Report 2023-24 has been uploaded on the website of the Company at [www.rudraecovation.com](http://www.rudraecovation.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). However, hard copy of full annual report will be sent to the shareholder who request for the same.
- viii) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Beetal Financial & Computer Services (P) Ltd.
- ix) **The Register of Members and the Share Transfer Book of the company will remain closed from 24<sup>th</sup> September, 2024 to 30<sup>th</sup> September, 2024 (both days inclusive).**
- x) In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Akhil Malhotra (DIN: 00126240) Non-Executive Directors, retire by rotation at this Meeting and offered himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company commend his re-appointment.
- xi) The relevant information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, regarding the Directors who are proposed to be appointed/ reappointed, is given hereto and form part of the Notice.
- xii) As per Regulation 40 of SEBI (LODR) Regulations, 2015, securities of listed companies can be transferred only

in dematerialized form.

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent M/s Beetal Financial & Computer Services (P) Limited for assistance in this regard.

- xiii) To avail the facility of nomination, Members holding shares in physical are requested to send us duly filled and signed Nomination Form (Form No. SH-13) to the Company's RTA. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DP.
- xiv) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, M/S Beetal Financial & Computer Services (P) Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- xv) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- xvi) **SEBI vide its Circular No. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 (the "SEBI Circulars") has mandated for furnishing/ updating PAN, KYC details (Address, Mobile No., E-mail ID, Bank Details) and Nomination details by all the holders of physical securities in listed company in the prescribed forms i.e. ISR-1, ISR-2, SH-13/ ISR-3/ SH-14 otherwise RTA shall be constrained to freeze such Folio(s) effective from October 01, 2023.**
- xvii) In compliance thereof, the Company has already sent the communication along with prescribed forms to all the physical shareholders at their registered address. Members are requested to forward the duly filled in Forms along with the related proofs to the Company at its Registered Office at 43-44, Industrial Area, Barotiwala- 171103, HP or Registrar and Transfer Agent at M/s. Beetal Financial & Computer Services (P) Limited. The aforesaid forms can be downloaded from the website of the Company at <https://rudraecovation.com/wp-content/uploads/2024/08/Untitled.pdf>.
- xviii) As an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/ P/CIR/2022/8 dated January 25, 2022 has decided that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for: 1. Issue of duplicate securities certificate; 2. Claim from Unclaimed Suspense Account; 3. Renewal / Exchange of securities certificate; 4. Endorsement; 5. Sub-division / Splitting of securities certificate; 6.Consolidation of securities certificates/folios; 7.Transmission; 8. Transposition. Therefore, Members are requested to kindly get their shares dematerialised at the earliest.
- xix) Mr. Ansh Bhambri, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize to the e-voting process i.e. votes cast during the AGM and votes cast through remote e-voting in a fair and transparent manner.
- xx) The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote evoting), within two working days of the conclusion of the AGM.
- xxi) The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.rudraecovation.com](http://www.rudraecovation.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com).The results shall simultaneously be communicated to the Stock Exchanges.
- xxii) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 43<sup>rd</sup> Annual General Meeting i.e. 30<sup>th</sup> September, 2024.
- xxiii) A person, who is not a member as on the **cut-off date** i.e. **23<sup>rd</sup> September, 2024** should treat this Notice for information purposes only.
- xxiv) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations

& Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

- xxv) 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. 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 Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- xxvi) **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means.
- xxvii) **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**
- Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- i) The voting period begins on **27.09.2024 at 09:00 a.m. and ends on 29.09.2024 at 05:00 pm**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, **23.09.2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- (i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



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

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 2109911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

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

(ii) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

(iii) After entering these details appropriately, click on "SUBMIT" tab.

- (iv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN **240902086** for the relevant < **RUDRA ECOVATION LIMITED** > on which you choose to vote.
- (vii) 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.
- (viii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (ix) 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.
- (x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xii) 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.
- (xiii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- xvii) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
  2. 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.
  3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders 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 **Seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **[hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **Seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **[hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)**. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**xvii) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact toll free no. 1800 2109911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 2109911.

**By order of the Board  
For Rudra Ecovation Limited  
(Formerly Known as Himachal Fibres Limited)**

**Sd/-  
Nancy Singla  
Company Secretary**

**Place: Ludhiana  
Date: September 02, 2024**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013  
ITEM NO. 3****APPOINTMENT / CHANGE IN DESIGNATION OF MR. VINOD KUMAR GOYAL (DIN: 02751391) TO AN EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY.**

Mr. Vinod Kumar Goyal (DIN: 02751391), was appointed as an Executive Director of the Company designated as Executive Director & Chief Executive Officer by the Board on the recommendation of Nomination and remuneration committee at its meeting held on July 22, 2024, subject to the approval of shareholders.

The Company has received the requisite consent, disclosure(s) and declaration(s) from Mr. Vinod Kumar Goyal as required under the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that no order of Securities and Exchange Board of India (SEBI) or any other such authority has been passed against him debarring him from accessing the capital markets or restraining him from holding the position of Director in any listed company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on July 22, 2024, subject to approval of members at this ensuing Annual General Meeting, Mr. V K Goyal (DIN: 02751391) is appointed as an Executive Director designated as Executive Director & CEO of the Company for a period of 5 years, with effect from July 22, 2024 till July 21, 2029 on the terms and conditions as set out in this item of the notice and as per agreement executed between Mr. V K Goyal and the Company and whose office shall be liable to retire by rotation.

The principal terms and conditions of appointment of Mr. V K Goyal (hereinafter referred to as "the Appointee") including his remuneration are as given below:

- A. **Tenure of Appointment:** The appointment of Mr. V K Goyal as Executive Director designated as Executive Director & CEO w.e.f. July 22, 2024 for a period of five (5) years from July 22, 2024 till July 21, 2029 or till the date of his relinquishment of his employment with the Company, whichever is earlier.
- B. **Nature of Duties:** The appointee shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board, in connection with and in the best interests of the Company including performing duties as assigned by the Board from time to time by serving on the Boards
- C. **Remuneration:** Mr. V K Goyal shall be entitled to remuneration as stated hereunder in terms of Schedule V to the Act and as per Industry/Market Standards:
- a) • CTC: 750,000 (Rupees Seven Lakh Fifty Thousand) per Month
- HRA @ 15% per month of the Basic Salary.
  - Telephone: Mobile/Telephone facility as per the Company's rules.
  - Leave encashment as per the Company's rules.
  - Provident Fund: Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
  - Bonus as per the Company's rules.
  - Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per Company's rules.
  - Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business.
- b) **Annual Increments:** The salary as stated above will be increased/ or revised every year effective from April month by the Board / or the Nomination & Remuneration Committee after proper evaluation including company's performance, market conditions etc., without seeking fresh approval every year from the

shareholders, subject to the conditions that the total remuneration payable to Mr. V K Goyal is / or are within the prescribed limits of the Companies Act, 2013 or SEBI Listing Regulations, including amendments if any.

- D) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the Company shall pay to him, remuneration by way of Salary, Benefits, and Perquisites as specified above.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board recommends passing of the Resolution at Item No. 3 as an Ordinary Resolution in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013.

Except Mr. V K Goyal, none of the Directors or Key Managerial Personnels or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

#### **ITEM NO. 4**

##### **TO ADOPT THE NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY.**

The existing Articles of Association of the Company, is in accordance with the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the new Companies Act 2013. Upon enactment of the Act and pursuant to the notifications of Ministry of Corporate Affairs dated September 12, 2013 and March 26, 2014, various provisions of the Companies Act 1956 have been repealed and in view of the same the existing Articles of Association of the Company need to be realigned as per the provisions of the new Act. The Board of Directors decided to incorporate/substitute /alter certain provisions as per the Act. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company. The new set of Articles of Association to be substituted in place of existing Articles of Association is based on Table 'F' of Schedule I of the Act which sets out the model Articles of Association for a Company limited by shares. The entire set of proposed articles of association is available in the website of the company.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolutions except to the extent of their shareholding in the Company.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members.

#### **ITEM NO. 5**

##### **TO APPROVE RELATED PARTY TRANSACTION(S) TO BE ENTERED INTO DURING THE FINANCIAL YEAR 2024-25.**

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of Special resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through Special resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis.

For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 10% of the annual turnover of the Company as per the last Audited Financial Statements of the Company or Rs. 1000 Crore whichever is lower.

All the Related Party Transactions entered into by the Company are on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

The transaction(s) entered into by the Company, together with the transactions to be entered into with Shiva Textfabs Limited and Yogindera Worsted Limited qualifies to be a Material Related Party transaction under SEBI – LODR Regulations.

The particulars of the contract / arrangement with Shiva Textfabs Limited and Yogindera Worsted Limited are as under:

<b>Name of Related Parties</b>	Shiva Textfabs Limited	Yogindera Worsted Limited
<b>Nature of Relationship</b>	Common Director and Promoter	Common Director and Promoter
<b>Nature and material terms of the contract</b>	Purchase or receipt of goods, material or services including Job work and lease of immovable property goods, material and services and Sale or Supply of goods, material or services including Job work and lease of immovable property goods, material and services, Rent	Purchase and Sale of Goods
<b>Duration of contract</b>	Financial Year 2024-25	Financial Year 2024-25
<b>Features of contract</b>	Normal trade/transaction under ordinary course of business and on arm's length basis	Normal trade/transaction under ordinary course of business and on arm's length basis
<b>Date of Approval of the Board/ Audit</b>	February 12, 2024	February 12, 2024
<b>Estimated Value of Transactions for the FY 2024-25 &amp; 2025-26</b>	150 Crore	20 Crore

**ITEM NO. 6**

**POWER TO BORROW FUNDS UNDER SECTION 180 (1)(c) OF THE COMPANIES ACT, 2013.**

As per the provisions of section 180(1)(c) of the Companies Act, 2013 the Board of Directors of a Company could borrow money in the ordinary course of business, to the extent of paid up share capital and free reserves of the Company and for borrowing moneys in excess of the paid up share capital and free reserves, the approval of the members of the Company in General Meeting by way of Special Resolution has to be obtained.

Further for the expansion of business and operational purpose of the company, Company may borrow funds from time to time and so therefore it is required to obtain approval of the members by way of Special Resolution in general meeting to authorize to the board to borrow funds in excess of the paid up share capital and free reserves.

The Board of Directors of your Company decided to take power of borrow funds upto Rs. 25 Crore and recommend passing of this resolution by way of a Special Resolution.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolutions except in the ordinary course of business and to the extent of their shareholding in the Company.

**ITEM NO. 7**

**TO MAKE INVESTMENTS, GIVE LOANS, GUARANTEES AND PROVIDE SECURITIES IN EXCESS OF THE LIMITS SPECIFIED UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

As per provisions of section 186 of the Companies Act, 2013 the Board of Directors of a Company could give any loan, guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities by way of subscription, purchase or otherwise to any person or body corporate to the extent of sixty percent paid up share capital, free reserves and securities premium or one hundred per cent of its free reserves and securities premium account whichever is more and for giving any loan or providing guarantee and security in excess of limit specified above, the approval of the members of the Company in General Meeting by way of special resolution has to be obtained.

Further, Company may give loan and provide guarantee to any person and make investments by acquiring securities by way of purchase or subscription or otherwise from time to time. So, it is proposed to increase the limit of give any

loan or guarantee or providing security to body corporate or any other person and to invest funds upto Rs. 200 Crore and recommend passing of this resolution by way of Special resolution.

None of the directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolutions except in the ordinary course of business and to the extent of their shareholding in the Company.

**ITEM NO. 8**

**TO APPOINT/CHANGE IN DESIGNATION OF MR. ANIL SINGLA TO AN INDEPENDENT DIRECTOR OF THE COMPANY**

It is proposed to appoint Mr. Anil Singla (DIN: 07404704), as Independent Director under Section 149 of the Companies Act, 2013 to hold office for 5 (five) consecutive years on the Board of the Company from September 02, 2024 to September 01, 2029.

The Company has received declaration from Mr. Anil Singla that he meets criteria of independence as prescribed under Section 149 (6) of the Act.

In the opinion of Board, Mr. Anil Singla fulfils the conditions for appointment as Independent Director as specified in the Act and is independent of management.

Brief profile of Mr. Anil Singla has been attached at the end of this statement.

Copy of the letter of appointment of Mr. Anil Singla as Independent Director setting out the terms and conditions of appointment are available for inspection at the registered office of the Company.

The Board of Directors recommends the Special Resolution at item no. 8 for approval of the Members.

Mr. Anil Singla, to whom the resolution relates, is interested in the proposed resolution. No other Directors, Key Managerial Personnel or their relatives is concerned or interested either financially or otherwise in the above said resolution set out in Item No. 8, except to the extent of his shareholding, if any.

**ITEM NO. 9**

**TO APPOINT/CHANGE IN DESIGNATION OF MRS. KAJAL RAI TO AN INDEPENDENT DIRECTOR OF THE COMPANY**

It is proposed to appoint Ms. Kajal Rai (DIN: 07366983), as Independent Director under Section 149 of the Companies Act, 2013 to hold office for 5 (five) consecutive years on the Board of the Company from September 02, 2024 to September 01, 2029.

The Company has received declaration from Ms. Kajal Rai that she meets criteria of independence as prescribed under Section 149 (6) of the Act.

In the opinion of Board, Ms. Kajal Rai fulfils the conditions for appointment as Independent Director as specified in the Act and is independent of management.

Brief profile of Ms. Kajal Rai has been attached at the end of this statement.

Copy of the letter of appointment of Ms. Kajal Rai as Independent Director setting out the terms and conditions of appointment are available for inspection at the registered office of the Company.

The Board of Directors recommends the Special Resolution at item no. 9 for approval of the Members.

Ms. Kajal Rai, to whom the resolution relates, is interested in the proposed resolution. No other Directors, Key Managerial Personnel or their relatives is concerned or interested either financially or otherwise in the above said resolution set out in Item No. 9, except to the extent of his shareholding, if any.

**ITEM NO. 10**

**TO APPOINT OR TO HOLD OFFICE OR PLACE OF PROFIT IN THE COMPANY BY MRS. ISHANI BANSAL.**

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also



required. Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit.

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on August 13, 2024 had approved the appointment of Mrs. Ishani Bansal as Director-Marketing subject to approval of the Shareholders by way of an Special Resolution.

The appointment of Mrs. Ishani Bansal is not as per any act. She is not appointed as a board member. The details of the remuneration payable to Mrs. Ishani Bansal is given in the resolution no. 10. As per section 188(1) (f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval.

Except Mrs. Ishani Bansal, Mr. Akhil Malhotra Father of Ms. Ishani Bansal and her relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 10, except to the extent of their shareholding in the Company. Mrs. Ishani Bansal does not hold any shares in the Company.

**By Order of the Board  
For Rudra Ecovation  
Limited  
(Formerly Known as Himachal Fibres Limited)**

Place: Ludhiana  
Dated: September 02, 2024

Sd/-  
Nancy Singla  
Company Secretary and Compliance officer

**Information Pursuant to Regulation 36 (3) of the Listing regulations and Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI), regarding the Directors seeking appointment/re-appointment in the Annual General Meeting.**

As required under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:

Name of the Director	Mr. Akhil Malhotra	Mr. Vinod Kumar Goyal	Mr. Anil Singla	Ms. Kajal Rai
DIN	00126240	02751391		
Designation	Non- Executive Non Independent Director	Executive Director cum CEO	Non- Executive Independent Director	Non- Executive Independent Director
Date of Birth	26/03/1965	19/09/1958	26/02/1980	09/03/1978
Age	59 years	65 years	44 years	46 years
Date of Appointment	23.11.2023	22.07.2024	02.09.2024	02.09.2024
Brief Resume & Expertise in specific functional area	He has experience of Thirty (30) years in the textile industry and he is the promoter of the Company.  He also acts as a director in Shiva Textfabs Limited. He has enriched experience in the field of marketing, operation and finance.	Mr. V.K. Goyal is an MBA with specialization in Marketing and Human Resources from Punjabi University, Patiala. He is an Innovative marketer and a business leader known for his exceptional talent development, crisis management, operational excellence, and financial acumen. His strategic vision, effective decision-making, and ability to build strong client relationships are key	Mr. Anil Singla has done BA, LL.B, MBA with specialisation in Marketing & HR, CS Professional (ICSI). Enrol with Punjab & Haryana High Court Chandigarh with over 24 years of versatile experience in Legal, Liaisoning, Corporate Secretarial, Marketing, Recruitments, Appraisals, General Administration, Training & Development, Import and Export and Customer Relationship	She has done B.com, CS and has more than 15 years of experience. She is AGM cum Company Secretary in LSE Securities Limited.

		<p>assets that he brings here in Rudra.</p> <p>Mr. Goyal was earlier associated with Trident Ltd., as CEO &amp; Business Head, also as a Chief Executive of Vardhman Spinning and General Mills (30 years), and as an Executive Director cum CEO of SEL Manufacturing Co. Ltd. (14 years).</p> <p>As CEO of Rudra Ecovation Ltd., Mr. V.K. Goyal will look after the entire value chain, overall planning, and implementation of business strategies, drive operational excellence with both productivity and performance improvement measures and brand building.</p>	management.	
<b>Board meetings held &amp; attended during FY 2023-24</b>	Held Eleven (11) and attended Four (4)	N.A.	N.A.	N.A.
<b>No. of Shares in the company</b>	50,00,000 Equity shares f.v. of Rs. 1 each	Nil	Nil	Nil
<b>Qualification</b>	Graduate	MBA in Marketing and Human Resource	BA, LLB, MBA in Marketing and Human Resource and CS	B.Com and Company Secretary From ICSI
<b>Directorships of other Listed Companies</b>	NIL	Nil	1	2
<b>Chairmanship / Membership of Committees of other Listed Companies</b>	NIL	Nil	Member of Nomination and Remuneration Committee in Other Listed Company	Chairman in Nomination and Remuneration Committee or Member in SRC in other listed companies
<b>Relationship with other Directors</b>	Not related to any director	Not related to any director	Not related to any director	Not related to any director
<b>Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person</b>	He is appointed as Non Executive Non Independent Director and Liable to retire by rotation.	He is appointed as an Executive Director cum CEO for a period of 5 years form July 22, 2024 to July 21, 2029 and Liable to retire by rotation.	Appointed as Non-Executive Non Independent Director not liable to retire by rotation	Appointed as Non-Executive Non Independent Director not liable to retire by rotation

## BOARD'S REPORT

TO  
THE MEMBERS OF,  
Rudra Ecovation Limited.  
(Formerly Known as Himachal Fibres Limited)

Your Directors have pleasure in presenting the 43<sup>rd</sup> Annual Report together with the Audited Statement of Accounts of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited) for the year ended March 31, 2024.

### 1. FINANCIAL HIGHLIGHTS.

The summary of the financial performance of the Company for the financial year ended March 31, 2024 compared to the previous year ended March 31, 2023 is given below:

Particulars	(in Lacs)	
	Year Ended March 31 <sup>st</sup> 2024	Year Ended March 31 <sup>st</sup> 2023
Revenue from Operations and Other Income (Total Revenues)	2047.50	2773.22
Profit/Loss before Tax (PBT)	(115.64)	298.53
Tax- Current	0	0
Tax- Deferred	(51.59)	5.50
Profit/Loss after Tax	(64.05)	293.03
Other Comprehensive Income (Net of Tax)	10.57	15.39
Total Comprehensive Income	(53.48)	308.42
Earnings per Share (EPS) (in Rs.)		
(after exceptional item)		
- Basic	(0.07)	0.34
- Diluted	(0.07)	0.34

\*Previous figures have been regrouped/ reclassified, wherever necessary, to confirm with the current period classification/presentation.

### 2. STATE OF COMPANY'S AFFAIRS :

Total Revenue from operation for the year is Rs. 2047.50 Lakhs as compared to Rs. 2773.22 Lakhs of previous year. The Net profit (Loss) after tax for the year ended March 31st, 2024 is Rs. (64.05) Lakhs as compare to Rs. 5.50 Lakhs profit for the previous year.

The company has started the production of recycled plastic, prepare yarn from PET bottles.

### 3. INDIAN ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs (MCA) under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### 4. DIVIDEND

Due to insufficient funds or suffered loss in the financial year ended March 31, 2024, the Board of directors has not recommended any dividend for the year under review.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. However, your company does not fall under the purview of above regulation and hence this regulation does not apply to the Company.

### 5. TRANSFER TO RESERVE

The Board of your Company has decided to retain the entire amount of profits in the Reserve and Surplus Account not to transfer any amount to the General Reserves for the financial year 2023-24.

**6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there were no unpaid/unclaimed Dividend and other amounts, as prescribed under Sections 124 & 125 of Companies Act, 2013 lying with the company, therefore, the provisions of above mentioned sections do not apply to the company.

**7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.**

In pursuance to section 134(3) (L) of the Act, no material changes and commitments have occurred after the closure of the financial year to which the financial statements relate till the date of this report, affecting the financial position of the Company.

**8. CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of business of the company during the year under review. However, company amends its memorandum of association and amended its main objects in the financial year and further expanded its business.

The company had adopted the new objects in addition to existing objects, the details of the same is as under:

- *To carry on the business in India or outside India of collection, segregation, cleaning, washing, transportation, processing, composting, recycling, upcycling, treatment, disposal, buying, selling, trading of all types of plastic waste and non-plastic waste (like electronics waste, etc) for the purpose of recovering and reusing the same for different purposes including but not limited to manufacturing or production of different types of consumer, industrial or commercial products having application in any industry or segment.*
- *To carry on the business in India or outside India of manufacturing, producing, processing, importing, exporting, buying, selling, marketing, dealing and trading of various products including but not limited to fibres, yarns, fabrics, acoustic panels, industrial fabrics, non-woven fabric or products, woven fabric or products, polyester fabrics, packaging materials, PET bottles, tapes, ropes, cords, bags, and any other products, made from recycling or upcycling of all types of plastic waste and non-plastic waste (like electronics waste, etc).*
- *To engage in the business in India or outside India of manufacturing, producing, processing, importing, exporting, buying, selling, marketing, dealing and trading of chips, pellets, new bottles, packaging material, and any other product made from recycling or upcycling of all types of plastic waste and non-plastic waste (like electronics waste, etc).*
- *To engage in the business in India or outside India of manufacturing, producing, processing, dealing, importing, exporting, purchasing, selling, distributing, and marketing of all types of geotextile products, including but not limited to woven, non-woven, and knitted geotextile products, from recycling or upcycling of all types of plastic waste and non-plastic waste (like electronics waste, etc).*
- *To explore, conduct, undertake, and invest in the research, development, and innovation of new and improved methods for recycling or upcycling of all types of waste materials and manufacturing or producing environmentally friendly or sustainable products.*
- *To establish and operate waste collection centres, eco parks, manufacturing facilities, workshops, distribution centres for collection, recycling, upcycling, waste management of all types of plastic and non-plastics waste and production or manufacturing or processing and sale of all types of recycled and/or sustainable products.*
- *To carry on the business of manufacturing, producing, buying, selling, importing, exporting, trading, marketing, distributing, setting up, engineering, provision, construction of all types of waste water treatment or effluent treatment plants, machines, parts, spares, stores, or any other product or solutions or services relating to waste water treatment or effluent treatment in any manner.*
- *To provide consulting, advisory, guidance or any other service relating to management of all types of plastic or non-plastic wastes, environment preservation or conservation, sustainability, carbon emission, waste water treatment, effluent treatment, carbon credits, plastic credits, Extended Producers' Responsibility credits or any other similar credits or benefits.*
- *To avail, claim, buy, sell, distribute, trade, utilize, transfer all types carbon credits, plastic credits, Extended Producers' Responsibility credits, or any other similar credits or benefits available.*
- *To invest in, acquire, merge with, or enter into joint ventures with other companies or entities engaged into activities related to recycling or upcycling of waste, waste management or manufacturing or production of products from recycling or upcycling of all types of waste material, waste water or effluent treatment, carbon credits, plastic credits, Extended Producers' Responsibility credits or any other company or entity having similar objects.*
- *To carry on any activity which is ancillary or incidental for the attainment of above objects.*

**9. SHARE CAPITAL**

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

The Authorised Share Capital of Company is Rs. 33,50,00,000 comprising equity share capital is Rs. 17,50,00,000 @ Rs.1 each and preference share capital is Rs. 16,00,00,000 @ Rs. 100 each.

During the financial year 2023-24, The issued, subscribed and paid up capital of the company is Rs. 20,62,50,000 comprising Equity share Capital is Rs. 8,62,50,000 @ Rs. 1 each and Preference shares is Rs. 1200,00,000 @ Rs. 100 each.

Further Company issued and allotted warrants of 1,50,00,000 of Rs. 10 each at a face value of Rs. 1 and premium of Rs. 9 each on November 08, 2023 on preferential basis, which are convertible into equity shares within a period of 18 months from the date of allotment of warrants. For which the Company was accorded approval of board of directors of the company on September 01, 2023 and shareholders' approval was accorded on September 28, 2023.

Further, During the current financial year, out of 150,00,000 warrants 1,40,00,000 warrants were converted into Equity share capital on May 25, 2024 for this trading / Listing approval has been granted by exchange.

**9.1 Redemption of Preference Shares**

The Company has not redeemed any Preference Shares during the year under review.

**9.2 Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

**9.3 Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

**9.4 Bonus Shares**

No Bonus Shares were issued during the year under review.

**9.5 Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees.

**10. FINANCE****10.1 Cash And Cash Equivalent**

Cash and Cash equivalent as at March 31<sup>st</sup>, 2024 is Rs. 254.67. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

**10.2 Deposits/ Fixed Deposits**

During the year, Company has not accepted deposit from the public falling within the ambit of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not repaid any deposits to the public during the year and no deposits are remained unpaid / unclaimed as on March 31<sup>st</sup>, 2024.

**10.3 Particulars of Loans, Guarantees or Investments**

Detail of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements.

Further, during the current financial year 2024-25, the company Rudra Ecovation Limited has made an investment in the shares of Shiva Texfabs Limited. The company Rudra Ecovation Limited has given loan to Shiva Texfabs limited which will further convert into equity.

**11. HUMAN RESOURCES**

Rudra Ecovation Limited is committed to hiring, developing and retaining the best minds in the industry. The

Company has key internal processes and initiatives that support this vision. The Company has developed a strong employee value proposition that focuses on key pillars of challenging work that matters, hiring and retaining the right people, sustained focus on talent and leadership development, differentiated rewards to drive exceptional performance and community engagement.

Talent management is a shared responsibility between business leaders and the Human Resources function at REL, enabling a strong focus on succession planning for key roles and actively promoting internal move to drive career growth. Talent management is supported by a strong learning architecture that enables leadership and functional development. This is supported by a Positive Employee Relations (PER) strategy that aims to build an engaged and motivated workforce.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

### 12.1 Directors Retiring By rotation

Pursuant to provisions of Companies Act, 2013 ('The Act') and the Articles of Association of the Company and Section 152(6) of the Companies Act, 2013, Mr. Akhil Malhotra (DIN: 00126240), Non Executive Director is liable to retire by rotation and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and Board of Directors have recommended his re-appointment for the approval of the shareholders of the Company at the ensuing Annual General Meeting of the Company.

### 12.2 Changes during the Year

Board would also like to inform the members that during the year 2023-24 the following changes have been made in the Board:

During the year under review, **Mr. Akhil Malhotra (DIN: 00126240)**, **Mr. Bhim Sain Goyal (DIN: 02139510)**, were appointed w.e.f. November 23, 2023 as Non-Executive Director (Non- Independent Director) and Non-Executive Director (Independent Director) respectively of the Company.

Further, Ms. Laxmi Khatri Company Secretary cum Compliance officer of the Company has resigned from the company w.e.f. May 30, 2023. Ms. Sharon Arora was appointed as a company secretary cum compliance officer of the Company w.e.f. May 31, 2023 and has been resigned w.e.f. November 23, 2023. Mr. Kanwar Nitin Singh was appointed as a company secretary cum compliance officer of the Company w.e.f. November 23, 2023 and resigned on December 21, 2023. Ms. Nancy Singla was appointed as a Company Secretary cum Compliance officer of the Company w.e.f. January 05, 2024.

During the current financial year, Mr. V K Goyal (DIN: 02751391) was appointed as a Executive Director cum CEO of the Company w.e.f. July 22, 2024.

### 12.3 Declaration By Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulations 16(1)(b) and 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations"), that they are independent from the Management of the Company and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, all the Independent Directors have given declarations that they complied with the provisions of Companies (Appointment and Qualifications of Directors) Rules, 2014. The Independent Directors have given declarations that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Business Conduct and Ethics of the Company. The independent directors are exempted from clearing the proficiency test by the IICA.

Meeting of independent Director:

A separate Meeting of Independent Directors was held on Tuesday, December 12, 2023, inter alia to discuss:

- To evaluate the performance of Non-Independent Directors, performance of the Board as a whole,
- Review the performance of the Chairman, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the

Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed.

- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **BOARD MEETINGS & ATTENDANCE OF DIRECTORS**

The Board regularly meets to discuss and decide on Company, business policy and strategy apart from conducting other Board related businesses. The Board of Directors were provided with the requisite information mentioned in the Listing Regulations well before the Board meetings.

During the year under review, the Board duly met 11 (Eleven) times. The maximum gap between any two consecutive Board meetings did not exceed 120 days. The details of the Board meeting are set out in the Corporate Governance Report which forms part of this Report.

**Date of Meetings:** - 30.05.2023, 14.08.2023, 01.09.2023, 18.10.2023, 31.10.2023, 08.11.2023, 23.11.2023, 12.12.2023, 21.12.2023, 05.01.2024, 12.02.2024.

The notices of Board Meetings are given well in advance to all the Directors. The Agenda is circulated at least a week prior to the date of the meeting.

During the year under review, on March 20, 2024, resolution by way of circulation was passed by the Company.

#### **13. COMMITTEES OF BOARD**

As on 31st March 2024, the Board had Six Committees — the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, Securities Transfer Committee, Banking and Finance Committee and Expansion and Diversification Committee . During the year, all recommendations made by the Committees were approved and accepted by the Board.

During the year Audit Committee has been reconstituted and details of the same is provided in the Corporate Governance Report.

During the year company has been constituted one new committee i.e. Expansion and Diversification Committee.

A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report.

#### **14. CORPORATE SOCIAL RESPONSIBILITY**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

#### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16. CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance. We believe in adherence to good corporate practices, implementing effective policies and guidelines and developing a culture of the best management practices and compliance with the law at all levels. Our Corporate governance practices strive to foster and attain the highest standards of integrity, transparency, accountability and ethics in all business matters to enhance and retain investor trust, long-term shareholder value and respect minority rights in all our business decisions.

A Separate section on Corporate Governance as stipulated under Schedule V (C) of the SEBI Listing Regulations forms part of this Report. The Corporate Governance Report along with the requisite certificate from the Company Secretary in practice confirming compliance with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations forms part of this Annual Report.

**17. AUDITORS AND RECORDS****17.1 Statutory Auditors**

M/s. Manjul Mittal & Associates, Chartered Accountants (Firm Registration No. 028039N) were re-appointed as the Statutory Auditors of the Company for a second term of five years from the conclusion of 41st Annual General Meeting till the conclusion of 46th Annual General Meeting.

The Auditor's report on the Annual Accounts of the Company for the year under review is self-explanatory and requires no comments.

During the year under review, there were no frauds reported by auditors under Section 143(12) of Companies Act, 2013.

**17.2 Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Bhambri & Associates (CP No-22626), Company Secretaries to undertake the secretarial audit of the company for the financial year 2024-25. The Secretarial Audit Report is annexed herewith as '**Annexure - 1**'.

**17.3 Internal Auditors**

Mr. Sanjay Kumar was appointed as Internal Auditor and he performed the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time. For the year 2024-25 Mr. Sanjay Kumar has been re-appointed as the Internal Auditor by the Board.

**17.4 Cost Records**

Pursuant to the rules made by the Central Government, the maintenance of cost records has not been applicable on the Company.

**17.5 Explanation on qualification/ reservation/ adverse remarks in the Auditors' Report**

Members' attention is invited to the observations/Qualification made by the Statutory Auditors appearing in Independent Auditor's Report and by Secretarial Auditor in Secretarial Audit Report. The observations/Qualification made by auditors in their reports along with the management replies on them is as follows:

- a) Regarding Auditor's remark in their report in point No. 36 other Regulatory Information (ix) and Secretarial Auditor's remark in their report- *Charge ID 80036826 is pending for satisfaction beyond the statutory period*  
**Board's Comment:** it is informed that these are the redundant charges which could not be got satisfied. The company is in continuous effort following up with the Ex Bank / Financial institutions to get the "No Due Certificate."
- b) Regarding Secretarial Auditor's remark in their report: *The company had made delayed Payment of Annual Listing Fee for 2023-24 on 01.09.2023*  
**Board's Comment:** the delay in the payment of the Annual listing fees for 2023-24 was an isolated incident due to unforeseen administrative challenges. The company has taken immediate corrective measures to ensure that such delays do not occur in the future.
- c) Regarding Secretarial Auditor's remark in their report: *Company has a SDD (Structured Digital Database)*



*software in place but the Company has missed out recording some of the entries in the software during the period under review*

Board's Comment: The Company is maintaining the SDD software properly and we are capturing all details diligently. We further like to mention that some entries were missed due to non availability of company secretary in the office and that the late entries in the software due to software glitches. The company is as instructed will further improve the system of capturing all information well on time.

**18. LISTING OF SECURITIES**

The Securities of the Company are listed on Main Board of BSE Limited. The Company has been paid annual listing fee to exchanges for the year 2023-24.

**19. COMPLIANCES WITH SECRETARIAL STANDARD ON BOARD AND GENERAL MEETINGS**

During the year under review, your company has duly complied with the applicable provisions of Secretarial Standards.

**20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**21. ANNUAL RETURN**

The details forming part of the extract of the Annual Return as required under Section 92 of the Act, is available on the Company's website viz. [https://rudraecovation.com/wp-content/uploads/2024/09/Form\\_MGT\\_7-HFL-final-signed.pdf](https://rudraecovation.com/wp-content/uploads/2024/09/Form_MGT_7-HFL-final-signed.pdf)

**22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date. The details of the Whistle Blower Policy is posted on the website of the Company at [www.rudraecovation.com](http://www.rudraecovation.com).

**23. RISK MANAGEMENT POLICY**

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes and behaviors together form the Risk Management Policy that governs how the company conducts its business and manages associated risks.

**24. HOLDINGS, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Holdings, Subsidiary, Joint venture or Associate Company. There were no companies which have become or ceased to be its holdings, subsidiaries, joint ventures or associate companies during the year under review.

**25. RELATED PARTY TRANSACTIONS/ PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.**

All transactions entered into with Related Parties, if any, as defined under the Companies Act, 2013 during the financial year, were in the ordinary course of business and were on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions not on arm's length with related parties during the financial year. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The report of the Board in respect of the particular of contracts or arrangements with related parties referred to sub section (1) of Section 188 in form AOC-2 is annexed to this report in 'Annexure-2'.

**26. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013**

The Company has in place a prevention of sexual Harassment policy in line with the requirements of the sexual Harassment of Women at the Workplace (prevention, prohibition and Redressal) Act, 2013.

A Sexual Harassment Committee/Internal Complaints Committee (ICC) was setup/constituted which is responsible for redressal of complaints related to sexual harassment at the workplace.

The Company has zero tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

During the year 2023-24, no complaint were received/filed by the Company related to sexual Harassment.

**27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**28. PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to the Board's report as per ‘Annexure- 4’.

**29. REMUNERATION TO DIRECTORS/EMPLOYEES AND RELATED ANALYSIS**

During the year under review, no employee of the Company received salary in excess of the limits as prescribed under the Act.

Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule

5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details pertaining to the ratio of the remuneration of each director to the median employee's remuneration and other prescribed details 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 are annexed herewith and forms part of this report as Annexure - 4

**30. REMUNERATION POLICY AND BOARD EVALUATION**

Company has Nomination and Remuneration policy in place pursuant to Companies Act, 2013 and SEBI (LODR) Regulation, 2015.

Independent directors in their meeting held on December 12, 2023, evaluated the performance of the non-independent directors of the board including Whole time Director. The minutes of the meeting were placed before the board and board affirmed the same. The Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 and SEBI(LODR) Regulations, 2015 is enclosed herewith as ‘Annexure - 5’.

**31. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition.

The Internal Auditor of the Company carries out review of the internal systems and procedures. The internal audit reports are reviewed by Audit Committee.

Your Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

**32. MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

In terms of Regulation 34 and schedule V of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 a review

of the performance of the company, for the year under review, Management Discussion and Analysis Report, is presented under separate section attached as Annexure-6 forming part of this Annual Report.

**33. REPORTING OF FRAUDS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of Act and Rules framed thereunder.

**34. CREDIT RATING:**

During the Financial Year 2023-24 no credit rating was there.

**35. Training/Familiarization of Board of Directors**

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The details of familiarization programme have been posted in the website of the Company under the weblink [www.rudraecovation.com](http://www.rudraecovation.com)

**36. Code of Conduct for Board members and Senior Management**

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Declaration of the same is annexed herewith in 'Annexure-7'. The Code of Conduct is available on the website of the company.

**37. ENTERPRISE RISK MANAGEMENT**

The Company's Enterprise Risk Management Processes ensures that the management controls risks through means of a properly defined framework. The risks are reviewed periodically by the Whole time Director and the Chief Financial Officer through an established Enterprise Risk Management Framework and also annually by the Board of Directors.

**38. GENERAL DISCLOSURES**

Your Directors state that the Company has made disclosure in this report for the items prescribed in section 134(3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations, to the extent the transaction took place on those items during the year.

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

- Issue of Equity Shares with differential rights as to dividend, right issue.
- Issue of Sweat Equity Shares to Employees of the Company.
- Issue of Employee Stock Options to Employees of the Company.
- Purchase of its own shares either directly or indirectly.
- Annual Report and other compliances on Corporate Social Responsibility.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- Information on subsidiary, Associate and joint venture companies.
- Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).
- The Company is not required to maintain the cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

**39. POLICY FOR PRESERVATION OF DOCUMENTS**

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of documents.

**40. ARCHIVAL POLICY**

In accordance with regulation 30(8) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 an archival policy has been adopted which has also been uploaded on the website of the company under the weblink [www.rudraecovation.com](http://www.rudraecovation.com).

**41. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS, PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE 2016, DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF FINANCIAL YEAR.**

No application made or any proceedings, pending under the Insolvency and Bankruptcy Code 2016, during the year along with their status as at the end of financial year.

**42. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTION ALONG WITH THE REASON THEREOF.**

There is no one time settlement done by the company. So the above provisions not applicable on the company.

**43. APPRECIATION AND ACKNOWLEDGEMENTS**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company. Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

**44. CAUTIONARY STATEMENT**

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

By Order of the Board  
For Rudra Ecovation Limited

Sd/-  
Nancy Singla  
Company secretary and Compliance officer

Place: Ludhiana

Dated: September 02, 2024

ANNEXURE-1

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the**  
**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,

**RUDRA ECOVATION LIMITED** (Formerly Himachal Fibres Limited),  
**Registered Office:** Plot No. 43-44, Industrial Area, Barotiwala-174103 (HP)  
**Corporate Office:** 4th Floor, Woodstock Tower, B-35/958, Ferozepur Road, Opposite Waves Mall, Ludhiana, 141008.  
**CIN: L17119HP1980PLC031020 / L43292HP1980PLC031020**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RUDRA ECOVATION LIMITED** (Formerly Himachal Fibres Limited) (**CIN: L17119HP1980PLC031020 / L43292HP1980PLC031020**) (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification, on test basis, 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 our opinion, the Company has, during the audit period covering the **financial year ended on 31<sup>st</sup> March, 2024** ('Audit Period') 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:

- (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 there under 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 (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) 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 laws relating to, inter alia:
- All labour & industrial laws;
  - Indian Boilers Act, 1923

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. *The company had made delayed Payment of Annual Listing Fee for 2023-24 on 01.09.2023.*
2. *Company has a SDD (Structured Digital Database) software in place but the Company has missed out recording some of the entries in the software during the period under review.*
3. *Charge ID 80036826 is pending for satisfaction beyond the statutory period.*

**We further report that**

The Board of Directors of the Company is duly constituted. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**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.

**We further report that** during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Ludhiana  
Dated: 26.08.2024

Sd/-  
(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626

UDIN: A060218F001047512  
Peer review number: 2971/2023

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE-1' and forms an integral part of this Report.**

**'ANNEXURE-1'**

**The Members,**

**RUDRA ECOVATION LIMITED** (Formerly Himachal Fibres Limited),  
**Registered Office:** Plot No. 43-44, Industrial Area, Barotiwala-174103 (HP)  
**Corporate Office:** 4th Floor, Woodstock Tower, B-35/958, Ferozepur Road, Opposite Waves Mall, Ludhiana, 141008.  
**CIN: L17119HP1980PLC031020 / L43292HP1980PLC031020**

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected. 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 and for which we relied on the report of statutory auditor.
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.

**Place: Ludhiana**  
**Dated: 26.08.2024**

**Sd/-**  
**(Ansh Bhambri)**  
**Bhambri & Associates**  
**Company Secretary in whole time practice**

**UDIN: A060218F001047512**  
**C.P. No. 22626**  
**Peer review number: 2971/2023**

**ANNEXURE-2**

**FORM NO. AOC-2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause(h) of sub-section(3)of section134 of the Act and Rule 8(2) of the Companies (Accounts)Rules, 2014)**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended on March 31st 2024, which were not at Arm's Length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

Sr. No.	Name(s)of the related party and nature of relationship	Duration of the contracts/arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Amount (in Rs. Lacs)
1.	Shiva Textfabs Limited	One Year	Sale	14.02.2023	-	405.33
2.	Shiva Textfabs Limited	One Year	Purchase	14.02.2023	-	535.44

**ANNEXURE-3**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

**(A) Conservation of Energy–**

- i. **The steps taken or impact on conservation of Energy** – Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution system and through improved operational techniques.
- ii. **The steps taken by the company for utilizing alternate sources of energy: NIL**
- iii. **The capital investment on energy conservation equipments** – Due to Industry scenario and inadequate profits in previous year's company was not able to spend any money on equipments for energy conservation.

**(B) Technology absorption–**

- i. **The efforts made towards technology absorption;**  
The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies and productivity.
- ii. **The benefit derived like product improvement, cost reduction, product development or import substitution: NONE**
- iii. **In case of imported technology ( imported during the last three years reckoned from the beginning of the financial year) :NONE**
  - a. The details of technology imported; Nil
  - b. The year of import;
  - c. Whether the technology been fully absorbed; NA
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. **The expenditure incurred on Research and Development:** No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.

**(C) FOREIGN EXCHANGE EARNING AND OUTGO**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows:

Particulars	2023-24	2022-23
a) Foreign Exchange Earning (Export Sales- FOB Value)	NIL	NIL
b) Foreign Exchange Outgo: Imports-Raw Material & Spares	NIL	NIL
Capital Goods	NIL	NIL
Expenditure in Foreign Currency:	NIL	NIL
c) Net Foreign Exchange Earnings	NIL	NIL

ANNEXURE-4

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF 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:

Sr. No.	Name of Director/ KMP/ Designation	Remuneration of Director/KMP for Financial year 2023-24 (Rs. In Lakh)	% increase in remuneration in the Financial year 2023-24	Ratio of Remuneration of each Director/ KMP to Median Remuneration of Employees
1	Gian Chand Thakur Whole- time Director	Nil	Nil	Nil
2	Manoj Kumar Non-Executive Non Independent Director	Nil	Nil	Nil
3	Malkeet Kaur Non- Executive Independent Director	Nil	Nil	Nil
4	Surjit Singh Non- Executive Independent Director	Nil	Nil	Nil
5	Akhil Malhotra* Non-Executive Non Independent Director	Nil	Nil	Nil
6	Bhim Sain Goyal* Non-Executive Independent Director	Nil	Nil	Nil
7	Sabestian Joseph Chief Financial Officer	337945	Nil	Nil
8	Laxmi Khatri Company Secretary (Resigned w.e.f. 30.05.2023)	30000	Nil	Nil
9	Sharon Arora Company Secretary (from 31.05.2023- 23.11.2023)	136440	Nil	Nil
10	Kanwar Nitin Singh Company Secretary (from 23.11.2023- 21.12.2023)	Nil	Nil	Nil
11	Nancy Singla Company Secretary (appointed w.e.f.05.01.2024)	150,000	Nil	Nil

\*Mr. Akhil Malhotra and Mr. Bhim Sain Goyal were appointed as Non Executive Non Independent director and Non Executive Independent director of the Company w.e.f. 23.11.2023 respectively

The sitting fees paid to all the Non executive Directors of the Company.

- The median remuneration of employees of the Company during the financial year was Rs 258,000 (approx.)
- In the financial year, there was no increase in the median remuneration of employees.
- There were 213 Permanent employees on the rolls of company as on March 31, 2024.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 2023-24 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
  - Average increase in the salary of all employees excluding managerial personnel is 0 %
  - Average increase in the remuneration of managerial personnel is 0 %
  - Increase in the salary is based on the Company's performance, individual performance, inflation, prevailing industry trend and bench marks etc.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



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

**a. Statement showing details of top ten employees in terms of remuneration drawn:**

Name of Employee	Age in years	Designation	Qualification	Nature of Employment	Experience (years)	Date of commencement of employment	Remuneration (in Rs.)	Particulars of last employment
Narendra Singh	55	G.M	Diploma in Textile	Production	27 Year	01/07/2023	110000/-	STL2
Abhaypratap Singh	43	SR. Manager	Diploma in Textile	Production	16 Year	04/03/2023	55000/-	Shiva Spin-N-Knit
Sanjeev Kumar	57	MGR	Diploma	Elect.	25 Year	08/03/2021	40000/-	
Mukesh	32	Labour Officer	12th	IR	8 Year	14/09/2023	35000/-	Sidhartha
Prakash Chandar Palei	50	DSM	B.A	Production	20 Year	01/07/2021	32000/-	Pashupati
Shyam Ram	59	CSO	B.A	Security	6 Year	05/06/2019	30000/-	Drish Ltd.

**b. Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakh Rupees:**

There were no such employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 102,00,000/-

**c. Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight Lakh and Fifty Thousand Rupees per month**

There were no such employees employed for a part of the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 102,00,000/-

**d. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole –time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent was not less than two percent (2%) of the equity shares of the company:**

There were no such employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole –time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent was not less than two percent (2%) of the equity shares of the company.

**For and on behalf of the Board  
Rudra Ecovation Limited  
(Formerly Known as Himachal Fibres Limited)**

**Sd/-  
Nancy Singla  
Company Secretary and Compliance officer**

Place: Ludhiana

Dated: September 02, 2024

ANNEXURE-5**NOMINATION AND REMUNERATION POLICY****APPLICABILITY**

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

**INTERPRETATION**

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

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

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

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

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

**'Key Managerial Personnel'** in relation to a company, means—

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

**'The Company'** shall mean Rudra Ecovation Limited.

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

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

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

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

**ROLE OF THE COMMITTEE**

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

1. To identify persons who are qualified to become directors, persons who may be appointed in senior management in accordance with the criteria and to recommend to the Board for their appointment and/or removal
2. To carry out evaluation of every director's performance
3. To establish criteria and processes for, and assist the Board and each of its Committees in their performance evaluations
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
5. To recommend/review remuneration of the Managing Director(s) and Whole time Director(s), based on their performance and defined assessment criteria.
6. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including
  - ❖ The quantum of options to be granted under Employees 'Stock Option Scheme per employee and in aggregate
  - ❖ The conditions under which option vested in employees may lapse in case of termination of employment for misconduct
  - ❖ The exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period
  - ❖ The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee
  - ❖ The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period
  - ❖ The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others
  - ❖ The granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable

8. To perform such other functions as may be necessary or appropriate for the performance of its duties

**IMPLEMENTATION OF POLICIES**

The Committee will seek to ensure that the remuneration of executive directors (consisting of basic salary, pension benefits and benefits in kind) will be competitive with those in other comparable organizations so as to attract high caliber individuals with relevant experience. The Committee will ensure that part of the remuneration of executive directors will be based on the financial performance of the Group using predetermined targets so as to motivate and reward successful business performance in the interest of shareholders.

**AUTHORITY**

The Committee is authorized:

- ❖ to seek any information it requires from any employee of any company within the Group in order to perform its duties;
- ❖ to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- ❖ to call any member of staff to be questioned at a meeting of the Committee as and when required.

**FREQUENCY OF MEETINGS**

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

**PRESENCE IN ANNUAL GENERAL MEETING**

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

**ANNUAL AFFIRMATION**

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

**CRITERIA TO EVALUATE PERFORMANCE**

**a) Selection Criteria for Directors**

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

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

**Age Limit:** The candidate should have completed the age of twenty-one (21) years and should not have attained the age of eighty (80) years. In case any director has attained age of 80 years he can be appointed as director with the permission of board.

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

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

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

**b) Selection Criteria for Senior Management**

As per Selection Criteria Senior Management shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions.

The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

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

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

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

**d) Performance Evaluation**

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

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

**AMENDMENT**

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

**ANNEXURE-6**

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management discussion and Analysis Report is a reflection of the current state of business of the company. It also deals with opportunities and challenges faced by Company and future outlook.

**Outlook**

Global growth is estimated to remain stable at 3.2% throughout CY 2024 and CY 2025. Global inflation is receding at a faster pace than anticipated. It declined from 8.7% in CY 2022 to 6.8% in CY 2023 and is expected to further decline to 5.9% in CY 2024, according to IMF. However, geopolitical risks remain high, particularly in light of the continuing conflict in the Middle East and political tensions in Europe. Going forward, declining inflation and greater government spending is anticipated to alleviate fiscal pressures and expected to attract investments for future growth in the coming years.



**Global economic overview**

The global economy expanded by 3.2% in the CY 2023, demonstrating remarkable resilience in the face of continuing economic adversities like geopolitical challenges, demand slowdown and fluctuations in commodity prices which has led to inflationary pressures in both advanced and emerging markets. The global Manufacturing PMI has been under contraction in CY2023 but has indicated stabilisation towards the start of CY2024. Additionally, commodity prices have remained relatively stable in CY2023 despite the ongoing economic slowdown in China & Europe and geo-political challenges in Europe and the Middle East. Owing to the rising interest of foreign institution investor, several emerging economies like India, Vietnam and Mexico are expected to show a positive growth trajectory.





### Indian economic overview

India's economy is one of the fastest-growing major economies in the world. In FY 2024, India registered a GDP growth rate of 8.2%. This growth was accompanied by a fall in the inflation rate and improved disposable income which resulted in increased private consumption and sustained demand for goods and services in the country. The Reserve Bank of India's (RBI) proactive monetary policies contributed to strengthening the financial landscape of the country.

The capital expenditure push, particularly on roads and railroads, has flavored in maintaining the economic growth rate. For the year under review, the FDI in India remained resilient and amounted to USD 71.0 billion.<sup>4</sup>

The Government of India also allocated 3.3% of GDP to infrastructure development and supported the economy by creating employment opportunities.

The manufacturing sector grew by 9.9% in FY 2024 owing to the favourable demand conditions in the economy. Notably, there has been greater capacity utilization across the manufacturing sector, which has further fuelled economic growth.

### Outlook

The Indian economy is expected to continue its upward trend and become the third-largest economy by 2027. According to the Organisation for Economic Co-operation and Development (OECD), the GDP is expected to grow by 6.6% in FY 2024-

25. Inflation is expected to further fall and this will support the increased level of consumption of goods and services and contribute to increased activity in the economy.

With the support of various industry-promoting programmes like the Production-Linked Incentive (PLI) scheme and the government's 'Make in India' initiative, the manufacturing sector can potentially expand into a USD 1 trillion industry by 2025–2026. This strategic move is expected to help the growth of the manufacturing sector and thereby contribute to economic growth in the coming years.



### INDUSTRY OVERVIEW

#### Global Textile Market

The global textile industry attained a market size of USD 1,837.27 billion in CY 2023.<sup>5</sup> The global textile industry witnessed a trend of adopting Artificial Intelligence (AI) in CY 2023, which also helped enhance the industry's productivity. Innovations such as automation and digital printing have significantly transformed the global market by enhancing the productive efficiency of the industries and meeting the dynamic market demands in the reported year. The Global textile industry is recovering, with inventory levels of international retailers and brands back to pre-pandemic norms. Despite this, the industry remains cautious about demand as textile companies await an increase in order book momentum. The growth in this industry was significantly contributed by the growth in the Asia Pacific markets for the year under review. The European markets are also expected to experience significant growth in the future. The consumers increasing environment-consciousness is moving the industry towards manufacture of

sustainable products. Further the buyers' thrust to diversify their supply chain beyond China to avoid over-reliance on a single country is a driver for India to come up as a value chain partner owing to our raw material strength and robust manpower pool. Anticipated Free Trade Agreement (FTA) include the long overdue UK FTA and EU FTA, along with negotiations between India and the Russia-led five-member Eurasian Economic Union (EaEU) set to commence in 2024. Another FTA between

India and Oman is on the horizon and is likely to be signed in 2024. This will make us competitive in these markets. Rapid Adoption of Digitalization, Block chain, Traceability and increased action towards Sustainability & ESG focus would be an optimal strategy to boost efficiency and maintain competitiveness. ESG is at the core of Strategy for every retailer. They are prioritizing vendors on the basis of ESG score.

### **Indian Textile Market**

India's textile market is one of the world's largest markets. The industry contributed to the Gross Domestic Product (GDP) by 2.3% in FY 2024. It has a 4% share in the global trade of textiles and apparel. This industry remained a significant contributor to the growth of the economy by providing employment opportunities and attracting investments. Some of the most important textile production locations in India are Gujarat, Maharashtra, Tamil Nadu, Punjab, Uttar Pradesh and West Bengal. The domestic market faced several headwinds during the reported year including fluctuation of cotton prices. Even the festive season did not bring enough market demand, and at the same time increasing imports of fabrics from Bangladesh at lower production cost also put pressure in the domestic market. Although India is the largest exporter of textiles and apparel in the global market, the contribution of the industry in trade declined in FY 2024. However, the export statistics indicate that cotton yarn, fabrics and handloom products experienced an increase of 6.71% in their exports.

The Government of India consistently made efforts to support the growth of this industry in the reported year. The Ministry of Textiles approved 18 Research and Development (R&D) projects across key strategic areas including sustainable textiles<sup>7</sup>, providing the industry with significant growth opportunities. This initiative is expected to boost innovation and enhance the industry's operational efficiency. The government signed the Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association in the reported year. This agreement included integrating advanced technologies to enhance the productivity in the industry and support the industry's growth further.

### **Business drivers**

- **Rising population:** India is the most populous country in the world, followed by China at a close second and the United States of America at the third rank.
- **Urbanisation:** India is urbanising rapidly. By 2036, its towns and cities will be home to 600 million people, or 40% of the population, up from 31% in 2011, with urban areas contributing almost 70% to GDP.
- **Demographic dividend:** With an average age of 28.6 years, India is home to one of the youngest populations in the world, which is largely driving the economy with nearly two-thirds of the people entering the workforce being aged between 18-28 years.
- **Rising consumption:** In 2023, India's consumption rate grew at a faster rate compared to China, USA and Germany. By 2026, the Indian consumption market is expected to become the world's third largest.
- **Shifting supply chains:** A number of global supply chains are shifting their manufacturing base from China to India, owing to favourable regulatory norms and large number of skilled workforce.
- **Internet penetration & E-commerce boom:** With 759 million subscribers in 2023, over 50%. Indians are active internet users. This number is expected to grow to 900 million by 2025. Driven by it, India is expected to become the third largest e-commerce market with a base of 500 million online buyers. Between 2019 and 2026, the number of online shoppers is expected to grow to 88 million, growing at 22% CAGR, in rural India and 263 million, growing at 15% CAGR, in urban India.
- **Digital payments :** The value of transactions conducted on the UPI platform increased significantly from ₹0.07 lakh crore in FY17 to ₹200 lakh crore in FY24.



**Global PET Market overview :**

During 2017 - 2023, the global PET (Polyethylene terephthalate) market grew at a CAGR of 2.5%, reaching a volume of 80.2 Million Tons in 2023. In terms of sales value, it reached a value of US\$ 96.2 Billion in 2023 growing at a CAGR of 4.4% during 2017- 2023. Looking forward, this market is expected to grow at a CAGR of 5.6% during 2024-2029 reaching a value of US\$ 135.1 Billion by 2029.

**Indian PET Market overview:**

PET is the most widely used material in the manufacture of rigid packaging containers, especially for packaging applications in food and beverage industries across the nation. Given the widespread use of PET in the Indian market, the government of India is increasingly encouraging the existing market as well as the adoption of recyclable PET. For instance, the Ministry of Environment, Forest, and Climate Change, allowed the use of recycled content in food-contact packaging. Moreover, to expand consumer base and meet their increasing demand, prominent PET producers across the country are increasing focus on the expansion of their production facilities, which is likely to propel the India PET market significantly.

The Indian PET market reached a value of US\$ 3.60 Billion in 2023, growing at a CAGR of 18.0% during 2017-2023. Going forward, the India PET market is expected to reach a value of US\$ 12.18 Billion by 2029, growing at a CAGR of 22.3% during 2024-2029. In terms of volume, the Indian PET market reached a volume of 2,048 Kilo Tons in 2023, growing at a CAGR of 7.9% during 2017- 2023. By 2029, the India PET market is expected to reach a volume of 4,072 Kilo Tons, growing at a CAGR of 12.3% during 2024-2029. This growth is attributed to various factors such as increase in the number of young population, growing awareness around hygiene, rise in urbanisation and disposable incomes. In 2023, bottle represented the largest application for PET in India, accounting for a share of 55.8% of the total market in terms of volume and this share is anticipated to reach 57.5%, by 2029. The increased use of PET resin would lead to generation of more waste which would then get into the waste stream and move towards recycling. PET has witnessed robust growth over last five years increasing usage in various end user industries such as packaging & bottling, automobile, medical packaging, electrical and electronics. The increased demand has been driven by replacement of traditional packaging materials like glass, aluminium, paper, metal and growth in FMCG sector. By 2029, the food and beverage sector is expected to dominate the PET packaging market in India, representing 50.2% of the total market volume.

This sector is expected to be followed by consumer products (21.8%), pharmaceuticals (10.3%) and other applications (17.8%).



(Source: Fortune Business Insights, Straits research, IMARC, Times of India)

**PET industry growth drivers in India :**



- The growing preference for convenience foods and increase in population contribute to the growth of the PET market in India.
- PET is a preferred replacement for conventional packaging materials due to its flexibility, simplicity, durability and recycling capacity.
- The pharmaceutical, food and beverage industries have switched to PET packaging due to greater demand for the maintenance of higher quality standards and overall health have become more important.
- Major FMCG businesses are gradually replacing virgin plastic with recycled alternatives in their supply chain



**KEY INITIATIVES UNDERTAKEN BY THE GOVERNMENT OF INDIA IN FY 2024**



**PM MITRA Scheme**

The government launched the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme to build and develop textile infrastructure. The scheme is inspired by the 5F vision: Farm to Fibre to Factory to Fashion to Foreign.

**PLI Scheme**

The government also launched the Production Linked Incentive (PLI) Scheme for Textiles, with an investment of INR 10,683 crore over the next five years, to promote the production of man-made fibres (MMF) apparel. The MMF are artificially produced fibres and are becoming common among the weavers and spinners in India. The PLI scheme also promotes the production of technical textile products in the country.



**Kasturi Cotton Bharat**

Kasturi Cotton Bharat programme of the Ministry of Textiles is a first-of-its-kind branding, traceability and certification exercise carried out jointly by the Government of India, Trade Bodies and Industry to promote the cotton produced in India.

**National Technical Textile Mission (NTTM)**

The GOI launched the National Technical Textiles Mission (NTTM). It promotes the development and export of technical textiles.



**SAMATH**

The Government with a view to enhance the skills of the workforce in the textile sector has formulated Samarth Scheme under a broad skilling policy framework with the objective of providing opportunity for sustainable livelihood. The implementation period of the scheme is upto March 2024.

The scheme aims to provide demand driven and placement oriented National Skill Qualification Framework (NSQF) compliant skilling programmes to incentivize and supplement the efforts of the industry in creating jobs in the organised textile sector and related sectors, covering the entire value chain of textiles excluding spinning & weaving and in addition it also provides skilling and skill-upgradation in the traditional textile sectors.



**Bharat Tex 2024**

BHARAT TEX 2024 is a global textile mega event being organised by a consortium of 11 Textile Export Promotion Councils and supported by the Ministry of Textiles. It is scheduled from February 26-29, 2024 in New Delhi. With a focus on sustainability and resilient supply chains, it promises to be a tapestry of tradition and technology attracting the best and the brightest from the textile world. It will have dedicated pavilions on Sustainability and Recycling, thematic discussions on resilient global supply chains and digitization, interactive fabric testing zones, product demonstrations and master-classes by crafts persons and events involving global brands and international designers. Bharat Tex 2024 will be a unique experience for knowledge, business and networking. The mega event will feature an exhibition spread across nearly 20 lakh sq. ft area showcasing Apparel, Home Furnishings, Floor Coverings, Fibres, Yarns, Threads, Fabrics, Carpets, Silk, Textiles based Handicrafts, Technical Textiles and much more. It will also feature nearly 50 different knowledge sessions providing an excellent platform for knowledge exchange, information dissemination and Government to Government and Business to Business interactions.



**Opportunities, Threats, Risks & Concerns**

Accelerated reopening of activities have re-opened opportunities for the textile market which were quiet for a long time. Further, China plus one policy by USA and Europe will lead to increase in demand for the Indian Market. With an added advantage of high quality standards and globally renowned accreditations, our Company will be forging ahead with its sustainability vision to build potential so as to grab opportunities coming its way. Currently the biggest threat is the enormous increase in cotton prices leading to high finished goods prices. Consumers are therefore shifting their focus from cotton to man-made fibres. Further, increase in prices of other commodities such as coal, dyes and chemicals are also making the industry non-competitive.

**Health & Safety Measures**

The Company has health and workplace safety programs in place and has established policies and procedures aimed at ensuring compliance with applicable laws/legislative requirements. The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the work place hazards for protection of all is utmost importance.



**Human Resources & Industrial Relations**

Human resource is considered as the most valuable of all resources available to the Company. The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The Company has been adopting methods and practices for Human Resources development. With utmost respect to human values, the Company continues to develop its human resources, through appropriate trainings, workshops, motivation/ leadership techniques and employee welfare activities at regular intervals.

The total permanent employee's strength of the Company was 213 as on 31st March, 2024. The industrial relation continued to remain cordial during the year.

#### Internal Control systems and adequacy

Internal control systems for financial reporting have been put in place by the Company and they are appropriate for its size and sector. These solutions are made to protect company assets while increasing productivity and efficiency at every level of the organisation. The Company has set up strict protocols to guarantee operational support and financial reporting accuracy. Business operations are regularly observed by an internal team and audit committee, which swiftly notifies the Management Board of any anomalies. To guarantee steady and sustainable growth, the Company creates strategies to recognise, evaluate and reduce risks based on these findings. These internal control mechanisms are essential for upholding regulatory compliance, combating fraud and preserving transparency. Ultimately, the Company attracts investment, builds stakeholder confidence and achieves long-term success in the market by offering strong financial reporting and operational support.



#### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE. (ON STANDALONE BASIS):

Particulars	2023-24	2022-23	Change (%)
Revenue from Operation	2047.50	2773.22	-26.17
Operating Profit (EBITDA)	184.77	266.68	-30.17
Finance Cost	170.10	116.51	45.99
Depreciation Cost	130.31	156.40	-16.68
Profit/ Loss Before Tax	-115.64	(6.23)	-1756.18
Profit/ Loss after Tax	-115.64	(6.23)	-1756.18

#### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	Unit	2023-24	2022-23	Change	Reason
Debtors Turnover	Days	1.67	1.56	6.78%	-
Inventory Turnover	Days	1.13	1.45	-22.19%	-
Interest Coverage Ratio	Times	1.09	2.29	-52.40	Due to increase in interest cost and decrease in earning capacity
Current Ratio	Times	2.99	0.94	218.59%	Due to building up current assets
Debt Equity Ratio	Times	0.07	0.14	-47.69%	Increase in shareholders fund and repayment of debt
Operating Profit Margin (%)	%	9.02	9.62	-6.23%	-
Net Profit Margin (%)	%	-2.61%	11.12%	-13.73%	-
Return on Net Worth	%	88.43	30.73	187.76	Due to money received against warrants

#### Cautionary statement

Certain statements that are forward-looking within the meaning of applicable laws and regulations may be included in the Management Discussion and Analysis Report along with your Company's goals, estimates, projections and expectations. There is a chance that the statements made or implied elsewhere will not exactly match those in this Management Discussion and Analysis Report. Aside from other incidental factors, significant factors that could affect the Company's operations include changes in governmental regulations, tax laws, the forex market, availability and

pricing of raw materials, cyclical demand and pricing in the Company's primary markets and economic developments in India and the nations in which the Company conducts business. Subject to relevant laws and regulations, the Company's Management Discussion and Analysis Report may include forward-looking statements about its goals, estimates, projections and expectations. The Company's operations may be adversely impacted by certain factors and the actual results may differ from these statements.

**ANNEXURE-7**

**DECLARATION BY THE WHOLE TIME DIRECTOR UNDER THE LISTING REGULATIONS  
REGARDING COMPLIANCE WITH CODE OF CONDUCT**

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31<sup>st</sup> 2024.

Place: Ludhiana  
Date: 02.09.2024

Gian Chand Thakur  
Whole time Director  
DIN: 07006447

**ANNEXURE-8**

**CORPORATE GOVERNANCE REPORT**

This Report of Corporate Governance form part of the Annual Report.

**1. Company's Philosophy on Corporate Governance**

Your Company continues to practice the principle of good Corporate Governance. It is Company's firm belief that good CORPORATE GOVERNANCE is a key to success of business. The Company's philosophy envisages managing the company's affairs in fair and transparent manner with accountability in its operations so that Company's goal of creation and maximization of wealth of the shareholders could be achieved.

Moreover, Good corporate Governance practices ensure that Company gain as well as retain the trust of Shareholders. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "Listing Regulations") incorporate certain mandatory disclosure requirements which are required to be made with regard to Corporate Governance (Part C of Schedule V). Accordingly, we are pleased to report on the Corporate Governance as hereunder:

**2. Board of Directors**

**a. Board Composition:**

Your Management believe that well informed and Independent Board is necessary to ensure High Standard of Corporate Governance. The Board oversees the Management's functions and protects the long term interest of all the stakeholders. The Listing Regulations prescribes that the Board of the Company should have the optimum combination of Executive and Non-Executive Directors with at least one Women Director. Besides, where the nonexecutive Chairperson is promoter of the listed entity or is related to any promoter then atleast half of the Board of Directors should consist of Independent Directors. The Company is in compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as: LODR Regulations), pertaining to composition of Board.

The composition of Board and category of Directors as on 31<sup>st</sup> March, 2024 are as follows:-

Name of Directors	Category
Gian Chand Thakur	Whole-Time Director
Manoj Kumar	Non-Executive Non- Independent Director
Akhil Malhotra	Non-Executive Non- Independent Director
Malkeet Kaur	Non-Executive Independent Director
Surjit Singh	Non-Executive Independent Director
Bhim Sain Goyal	Non-Executive Independent Director

**b. Number of Board Meetings and dates on which held:**

During 2023-24, the Board met Eleven (11) times on 30.05.2023, 14.08.2023, 01.09.2023, 18.10.2023, 31.10.2023, 08.11.2023, 23.11.2023, 12.12.2023, 21.12.2023, 05.01.2024 and 12.02.2024. The maximum gap between two Board meetings was less than one hundred twenty days.

**c. Attendance of Directors at the meeting of the board of directors and the last Annual General meeting and Details of Other Directorships/ Committee Memberships:**

The information with regard to composition and attendance of Board of Directors in Board Meetings and the last Annual General Meeting, outside Directorships and other Memberships of Board Committees as on 31st March, 2024 as applicable is given hereunder:

Sr. No	Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 28.09.2023	*Total No. of Directorships in other Public Companies	Directorship in other Listed Entities		#No. of Committee position held in other Public Companies		No. of shares held
						Name	Category	Chairman	Member	
1.	Gian Chand Thakur	Whole-Time Director	11	Yes	-	-	-	-	-	-
2	Manoj Kumar	Non-Executive Non-Independent Director	11	Yes	4	-	-	2	2	-
3.	Akhil Malhotra (appointed w.e.f. 23.11.2023)	Non-Executive Non-Independent Director	4	N.A.	3	-	-	-	2	50,00,000
4.	Malkeet Kaur	Non-Executive Independent Director	11	Yes	1	-	-	1	1	-
5.	Surjit Singh	Non-Executive Independent Director	11	Yes	3	-	-	-	2	-
6.	Bhim Sain Goyal (appointed w.e.f. 23.11.2023)	Non-Executive Independent Director	4	N.A.	1	-	-	-	-	-

Note: \*Total no. of directorship does not include directorships of private limited companies, Section 8 companies and companies incorporated outside India.

# Chairmanship/membership of Board Committees shall include only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of Listing Regulations.

**d. Number of other Board of Directors or Committee in which Directors are member or chairperson:**

The information regarding the other Board of Directors or Committees in which Directors are member or chairperson as on 31st March, 2024, is already given in the table given in Para C above.

None of the Director holds Directorship in more than twenty Companies and is Director of more than ten public limited companies as prescribed under the Companies Act, 2013. Further, as per Regulation 17(A) of SEBI LODR (Amendment) Regulations, 2018 mandate that a person does not act as Director of more than seven listed entities and an independent director of more than seven listed entities.

None of the director is a member of more than Ten (10) Board level Committees or is Chairperson of more than Five (5) such Board level Committees as required under Regulation 26(1) of SEBI LODR Regulations, 2015.

**e. Disclosure of relationships between directors inter-se:**

None of the Directors are related to any other director within the meaning of Section 2(77) of the Companies Act, 2013.

The independent Directors do not have any material pecuniary relationship or transactions with the Company, its Directors and its senior management personnel which may affect their independence, except for the Sitting fees, drawn for attending the meetings of the Board and Committee(s) thereof.

**f. No. of Shares and Convertible Instruments held by non-executive directors:**

Mr. Akhil Malhotra who is chairman and Non-Executive promoter director of the Company is holding 50,00,000 equity shares of the Company. No shares held by other Non- executive directors of the Company.

**g. Web link of Familiarization Programs:**

The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company. The web link of the same is as follows:

<https://rudraecovation.com/wp-content/uploads/2024/05/Familiarisation-Program-Independent-Directors.pdf>.

**h. Board-skills/expertise/competencies**

The Company's Board comprises qualified members who bring in the required skill/Expertise that allow them to make effective contribution to the Board and its Committees. Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations, the Board of Directors has identified the following requisite skills/ expertise and competencies required in the context of Company's business and sector to function effectively.

Sr. No.	Core Skills/ Expertise / Competencies
1.	Leadership Skill
2.	Industry knowledge and Experience
3.	Managerial and Entrepreneurial Skills
4.	Governance
5.	Financial Management
6.	Risk Management
7.	Information Technology
8.	Operational Skill
9.	Sales and Marketing skill

**A Chart matrix setting out the skill/ expertise/ competency currently available in the Board:** A table showing details of Skill/ Expertise actually available with the Directors of the Company.

Name of Directors	Leadership	Industry knowledge and Experience	Managerial and Entrepreneurial Skills	Governance	Financial Management	Risk Management	Information Technology	Operational Skill	Sales and Marketing skill
Gian Chand Thakur	✓	✓	✓	✓	✓	✓	✓	✓	✓
Manoj Kumar	–	✓	✓	✓	✓	✓	✓	✓	–
Akhil Malhotra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Malkeet Kaur	✓	✓	✓	✓	✓	✓	✓	✓	–
Surjit Singh	–	✓	✓	✓	✓	✓	✓	✓	✓
Bhim Sain Goyal	✓	✓	✓	✓	✓	✓	✓	✓	✓

**i. Independent Directors:**

The term Independent Director has been defined under Section 149 of the Companies Act, 2013 and Rules framed there under and Regulation 16 of the Listing Regulations.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the LODR Regulations and section 149(6) of the Companies Act, 2013 and rules framed there under and are independent of the management as required under Regulation 25 of the LODR Regulations.

The Company has complied with the provisions with respect to appointment and term of appointment of Independent Directors which are consistent with the Act and Listing Regulations. The Independent Directors on the Board of the Company are given formal appointment letter inter alia containing the terms of appointment, role, duties and responsibilities etc. The terms and conditions of appointment are disclosed on the website at <https://rudraecovation.com/wp-content/uploads/2024/05/Terms-Conditions-of-Appointment-of-Independent-Director.pdf>

Pursuant to Clause C(2)(j) of Schedule V read with Regulation 34(3) of Listing Regulations, requirement of providing the detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons is not applicable as no Independent Director has resigned during the year under review.

As per the provisions of the Companies Act, 2013 and the rules made thereunder the Independent Directors are required to hold at least one meeting in a year without the attendance of Non Independent Directors and members of Management.

We are pleased to report that the Company's Independent Directors met on December 12, 2023 without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. At the Meeting, they-

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- iii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

Further, it is confirmed that in the opinion of the Board, the Independent directors fulfill the conditions specified in these regulations and are independent of the Management.

**3. BOARD COMMITTEES**

The Board has constituted Audit committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Securities Transfer Committee, Banking and Finance Committee and Expansion and Diversification Committee which helps the Board in good Corporate Governance. The recommendations of the committees are submitted to the Board for their consideration and approval. During the year under review, all recommendations of the committees were approved by the Board.

**1. Audit Committee**

a. **Brief Description of Terms of Reference:** The Board has constituted an independent and qualified Audit Committee. The term of reference of the Audit Committee is as per Part C of Schedule II of SEBI LODR Regulations, 2015 and Section 177(4) of the Companies Act, 2013.

b. **Composition:** The Audit committee has been reconstituted w.e.f. 23.11.2023.

The Audit Committee comprises of three Directors under the chairmanship of Mr. B.S. Goyal, who is an Independent Director. Mr. Akhil Malhotra, Non Executive Director, Ms. Malkeet Kaur, Independent Director are members of the Audit Committee as on 31st March, 2024.

During the year under review, Mr. Surjit Singh, Mr. Gian Chand Thakur, Independent director and Whole Time Directors respectively ceased to be the member of Audit committee w.e.f 23.11.2023.

Accordingly, Mr. B.S. Goyal is financially literate and has required accounting and financial management related expertise. Mr. Akhil Malhotra has more than 35 years of experience in corporate, financial and accounting matters. Ms. Malkeet Kaur has more than 30 years experience in administration.

The statutory Auditors, Internal auditors and Chief Financial Officer are also invited in a meeting as special invitee as and when required. The Company Secretary acts as a Secretary of the Committee.

The Primary objective of Audit Committee is to monitor and provide an effective supervision on the Management financial reporting process, to ensure timely and accurate disclosure. Besides, the committee also oversees the work of internal and statutory auditors.

- c. **Meetings and Attendance:** During the financial year 2023-24, the Committee met 6 times i.e. on 30.05.2023, 14.08.2023, 01.09.2023, 18.10.2023, 05.01.2024 and 12.02.2024 for reviewing and adopting the quarterly un-audited / audited financial results as well as the financial statements before recommending the same to the Board of Directors for their perusal and adoption. The attendance record of the Audit Committee Members at the Meetings during the year 2023-24 is as under:

Sr. No.	Name of Member	Category	Designation	No. of Meetings held	No. of Meetings attended
1.	#Mr. B.S. Goyal	Independent Director	Chairperson	6	2
2.	#Mr. Akhil Malhotra	Non- Executive Director	Member	6	2
3.	Ms. Malkeet Kaur	Independent Director	Member	6	6
4.	*Mr. Surjit Singh	Independent Director	Chairperson	6	4
5.	*Mr. Gian Chand Thakur	Whole Time Director	Member	6	4

\*Mr. Surjit Singh and Mr. Gian Chand Thakur has been resigned as committee member w.e.f. 23.11.2023

# Mr. B.S. Goyal and Mr. Akhil Malhotra has been introduced as committee member of audit committee w.e.f. 23.11.2023

The meetings of the Audit Committee are/ were also attended by the Chief Financial Officer as special invitees as and when required. The Chairman of the Audit Committee (Mr. Surjit Singh) attended the last Annual General Meeting to answer the shareholders' queries. The Company Secretary acts as the Secretary of the Committee.

## 2. Nomination and Remuneration Committee

### a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board constituted the Nomination and Remuneration Committee. The broad term of reference of the Nomination and Remuneration Committee is as per the requirements of Part D of Schedule II of SEBI LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee identifies the persons who are suitable and qualified enough to become directors and who may be appointed in senior management category in accordance with the criteria laid down and recommend to the Board their appointment and removal. It carries out evaluation of every director's performance. The Committee also ensures that Company's remuneration policies in respect of Managing Director, Key Managerial Personnel and Senior Executives are competitive so as to recruit and retain best talent in the Company. It also ensures that appropriate disclosure of remuneration paid to the Directors, Managing Director, KMP and Senior Executives as per the applicable provisions of the Companies Act, 2013 and also devises a policy on "Diversity of Board of Directors".

### b. Composition:

The Committee consists of three Directors namely; Ms. Malkeet Kaur , Non Executive Independent Director as the Chairman, Mr. Surjit Singh, Non Executive Independent Director and Mr. Manoj Kumar, Non Executive Non-Independent Director as the members of the Committee as on 31 March, 2024.

- c. **Meetings and Attendance:** The Nomination and Remuneration Committee met four times during the year i.e. 30.05.2023, 23.11.2023, 21.12.2023, 05.01.2024. The attendance record of the meetings held during the year 2023-24 is as under:

Sr. No.	Name of Member	Category	Designation	No. of Meetings held	No. of Meetings attended
1.	Ms. Malkeet Kaur	Non Executive Independent Director	Chairperson	4	4
2.	Mr. Surjit Singh	Non Executive Independent Director	Member	4	4
3.	Mr. Manoj Kumar	Non Executive Non- Independent Director	Member	4	4

Company Secretary acts as a Secretary of the Committee.

d. **Performance Evaluation criteria for independent directors:**

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of parameters for evaluation includes education, knowledge, experience, expertise, skills, behavior, leadership qualities, level of engagement and contribution, independence of judgment, ability to communicate effectively with other board members and management, effective decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

During the year under review, Mr. Surjit Singh, Mrs. Malkeet Kaur and Mr. B.S. Goyal, met on December 12, 2023, without the presence of non-independent directors and members of the management, to discuss the evaluation of the Board, Committees and the Non-Executive Directors. The discussions covered both strategic and operational aspects of the Board functioning, as well as the quality, content and timeliness of the flow of information between the Management and the Board. The inputs from the meeting were shared with the Nomination and Remuneration Committee (Regulation 25 of the Listing Regulations).

The performance evaluation of the Independent Directors was carried out by the entire Board.

e. **Remuneration of directors:**

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

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

Executive Directors shall be eligible for remuneration, as may be approved by the shareholders of the Company on the recommendation of the NRC Committee and the Board of Directors. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of the Companies Act, 2013.

Mr. Gian Chand Thakur has not withdrawn any salary due to inadequate profit in the company. He was reappointed in company for a term of five consecutive years w.e.f. 01.10.2021-30.09.2026

The Non-Executive Director do not draw any remuneration from the company except the sitting fees for each meeting of the Board/Committee of the Board attended by them during the financial year.

Name of Director	Designation	Sitting Fees
Akhil Malhotra	Non-Executive Non Independent Director	6000
Manoj Kumar	Non-Executive Non Independent Director	6000
Bhim Sain Goyal	Non-Executive Independent Director	6000
Surjit Singh	Non-Executive Independent Director	6000
Malkeet Kaur	Non-Executive Independent Director	6000

The tenure of office of the Independent Director is for five years from the respective date of appointment and can be re-appointed for other term of years and same can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

None of the Non Executive Directors has been granted any stock option by the Company.



**3. Stakeholder Relationship Committee:**

- a. **Brief Description of Terms of Reference:** Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted Stakeholders' Relationship Committee. The Committee looks into the complaints/grievances of shareholders in respect of transfer of shares, Non receipt of Dividend, Share Certificates, Dematerialisation and Annual Reports etc. and recommends measures for improving the quality of investor service. The committee also oversees the performance of M/s **BEETAL Financial & Computer Services Pvt Ltd.** the **Registrar and Transfer Agent** of the Company. The main objective the committee is to assist the Board and Company in maintaining healthier relationship with all stakeholders.
- b. **Composition:** The Committee consists of three directors under the Chairmanship of Mr. Surjit Singh, Non Executive Independent Director, Mr. Gian Chand Thakur, Executive Director and Ms. Malkeet Kaur, Non Executive Independent Director are the other two members of the Committee as on 31 March 2024.
- c. **Meetings and Attendance:** The Committee met two times during the year under review. The attendance record of the meetings held during the year 2023-24 is as under:

Sr. No.	Name of Member	Category	Designation	No. of Meetings held	No. of Meetings attended
1.	Mr. Surjit Singh	Non Executive Independent Director	Chairperson	2	2
2.	Ms. Malkeet Kaur	Non Executive Independent Director	Member	2	2
3.	Mr. Gian Chand Thakur	Whole Time Director	Member	2	2

Company Secretary acts as a Secretary of the Committee.

- d. **Name and designation of the Compliance officer:** Nancy Singla, Company Secretary is the Compliance officer of the Company.
- e. **Details of Investors' complaints received/ resolved/not solved to the satisfaction of shareholders/pending:**

Details of the status of the Complaints received during the year in the following statement:

S. No	Received	Resolved	Pending
Complaints	Nil	Nil	Nil

**4. Other Committee Details:**

In order to smoothen the operation of the company, the power of Board has been delegated by forming committees with specific purposes.

COMMITTEE NAME	MEMBERS	NO OF MEETINGS
SECURITIES TRANSFER COMMITTEE	<ul style="list-style-type: none"> <li>• Mr. Surjit Singh (Chairperson)</li> <li>• Mr. Gian Chand Thakur</li> <li>• Mr. Manoj Kumar</li> </ul>	1
BANKING & FINANCE COMMITTEE	<ul style="list-style-type: none"> <li>• Mr. Surjit Singh (Chairperson)</li> <li>• Mr. Gian Chand Thakur</li> <li>• Mr. Manoj Kumar</li> </ul>	1
EXPANSION AND DIVERSIFICATION COMMITTEE	<ul style="list-style-type: none"> <li>• Mr. Akhil Malhotra (Chairperson)</li> <li>• Mr. B.S. Goyal</li> <li>• Mr. Gian Chand Thakur</li> </ul>	1

During the year Securities Transfer committee met one time i.e. March 20, 2024 and all the members of committee attended the meeting.

Banking and finance committee meeting held on 08.11.2023 and all the members of committee attended the meeting.

Expansion and Diversification Committee meeting held on 12.02.2024 and all the members of committee attended the meeting.

#### 4. GENERAL BODY MEETINGS

- a. **Location and time where last three annual General meetings held:** Details of Annual General Meetings held during last three years:

Year	Date	Time	Venue	Whether Special Resolution Passed	Brief of Resolution
2022-23	28.09.2023	05:00 P.M.	Registered office of the company at Plot No. 43-44, Industrial Area, Barotiwala-174103(Himachal Pradesh)	yes	issue of warrants convertible into equity shares to the proposed allottees, on a preferential basis
2021-22	14.09.2022	4:30 P.M.	Registered office of the company at Plot No. 43-44, Industrial Area, Barotiwala-174103 (Himachal Pradesh)	yes	Resolution passed to take approval under section 180(1)(a) of companies act, 2013
2020-21	28.09.2021	4:30 P.M.	Registered office of the company at Plot No. 43-44, Industrial Area, Barotiwala-174103 (Himachal Pradesh)	yes	<ul style="list-style-type: none"> <li>To re-appoint Mr. Surjit Singh (DIN: 07143372) as an Independent director of the Company.</li> <li>To re-appoint Mr. Gian Chand Thakur (DIN: 07006447), as a Whole Time Director of the Company.</li> </ul>

- b. **Whether any Special Resolution passed last year through postal ballot.**

No Special Resolution was passed during the financial year ended 31.03.2024 through postal ballot.

- c. **Person who conducted the postal ballot exercise:** Not applicable as no special resolution was passed during the financial year ended 31.03.2024 through postal ballot.

- d. **Whether any special resolution is proposed to be conducted through postal ballot.** Presently, no Special Resolution is proposed to be conducted through postal ballot.

- e. **Procedure for postal ballot.** Whenever any special resolution will be conducted through postal ballot, the procedure for postal ballot shall be as per the applicable provisions of Companies Act, 2013 read with SEBI LODR Regulations, 2015.

#### 5. MEANS OF COMMUNICATION

- a. **Quarterly Results:** The Company's quarterly results in the format prescribed by the Listing Regulations, are approved and taken on record by the Board within the prescribed period under the Regulations and submitted immediately by uploading on the website of BSE Limited, on which the Company's shares are listed.
- b. **Newspapers wherein results normally published:** The financial results of the Company are published in leading News Paper i.e. Business Standard in English and Hindi and also displayed on Company's website: [www.rudraecovation.com](http://www.rudraecovation.com).
- c. **Any website, where displayed:** The Company's Quarterly, Half yearly and Annual Results are also displayed on the website of the Company i.e. [www.rudraecovation.com](http://www.rudraecovation.com). The Quarterly and Annual Financial

Statement along with the Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report, Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern etc. can also be retrieved by the investors from the website of the Company, BSE Limited.

- d. **Whether it also displays official news releases:** Whenever any official news is released, the same is also displayed on the Company's website i.e. [www.rudraecovation.com](http://www.rudraecovation.com).
- e. **Presentations made to institutional investors or to the analysts:** Whenever any presentation about Company's working is made to the Financial Institutional Investors or to the Analyst, the same is displayed on the Company's Website i.e. [www.rudraecovation.com](http://www.rudraecovation.com).

## 6. GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting:

Number of General Meeting	43 <sup>rd</sup> Annual General Meeting
Date & Time	September 30, 2024 at 01:00 P.M.
Venue	The Company is conducting the Meeting through Video Conferencing/Other Audio Visual Means as permitted by Ministry of Corporate Affairs. Hence, the venue of the Meeting shall be deemed to be the registered office of the Company. For details please refer to the Notice of this AGM.

- b. **Financial Year:** Financial year of the Company comprises of twelve months i.e. 1 April, 2023 to 31 March, 2024
- c. **Date of Book Closure:** 24<sup>th</sup> September, 2024 to 30<sup>th</sup> September, 2024 (both days inclusive)
- d. **Name and address of Stock Exchanges at which the securities of the Company are listed:** The BSE Limited (BSE) 25th Floor, P. J. Towers, Dalal Street, Fort Mumbai – 400 001.
- e. **Listing fee for the financial year:** Listing fees for the financial year 2024-2025 has been paid to the stock exchange. The Equity shares of the Company have not been suspended from trading.
- f. **Stock Code:** stock code is **514010**.

International Securities Identification Number (ISIN) for NSDL and CDSL: **INE723D01021**

- g. **Market Price Data:**  
Monthly High and Low quotations as well as the volume of the equity shares of the company traded for the year 2023-2024 based upon BSE Price data is given below:

Month	High Price	Low Price	Close Price	No. of Shares	No. of Trades	BSE Sensex
Apr-23	7.54	3.9	5.48	860955	1648	61,112.44
May-23	6.24	4.6	4.99	311229	1067	62,622.24
Jun-23	6.7	4.7	5.97	542261	1334	64,718.56
Jul-23	6.64	5.41	6.22	297699	824	66527.67
Aug-23	7.77	6.42	7.77	465917	450	64831.41
Sep-23	11.42	7.92	11.42	156650	267	65828.41
Oct-23	16.85	11.64	16.85	34134898	660	63874.93
Nov-23	25.41	17.18	25.41	6661663	799	66988.44
Dec-23	32.79	25.87	30.99	33135623	3694	72240.26
Jan-24	43.79	31.6	41.69	10581963	2871	71752.11
Feb-24	50.66	40.79	50.66	5905424	2347	72500.30
Mar-24	53.75	41.01	42.36	4660065	2880	73651.35

h. **Registrar to an issue and share transfer agents:**

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

**BEETAL Financial& Computer Services Pvt Ltd.**

BEETALHOUSE, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110062 Ph. 011-29961281-283 Fax 011-29961284, Email: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

- i. **Share Transfer System** In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialized form. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/ splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialized form only. The necessary forms for the above request are available on the website of the Company i.e. <https://rudraecovation.com/wp-content/uploads/2024/08/Untitled.pdf>. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. Shareholders should communicate with **BEETAL Financial& Computer Services Pvt Ltd**, the Company's Registrars & Share Transfer Agent at [beetalrta@gmail.com](mailto:beetalrta@gmail.com) quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities. SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form.

j. **Distribution of Shareholding as on 31<sup>st</sup> March, 2024:**

Shareholding	Holders	Percentage%	No of shares	Percentage%
UP TO 5000	6868	88.153	4643102	5.38
5001 TO 10000	303	3.89	2407498	2.79
10001 TO 20000	230	2.95	3463163	4.02
20001 TO 30000	91	1.17	2348542	2.72
30001 TO 40000	50	0.64	1775637	2.06
40001 TO 50000	58	0.74	2750541	3.19
50001 TO 100000	101	1.30	7449316	8.64
100001 TO 200000	34	0.44	5254786	6.09
200000 AND ABOVE	56	0.72	56157415	65.11
<b>Total</b>	<b>7791</b>	<b>100</b>	<b>86250000</b>	<b>100</b>

k. **Shareholding Pattern as on March 31, 2024**

Sr. No.	Shares Held by	No. of shares	Percentage of holding
1.	Promoters and Promoters group		
	Indian/ Huf	70,00,000	8.12
	Body Corporate	7041500	8.16
2.	Non Promoter Shareholding:		
	Banks & Mutual Fund	28500	0.033
	Alternate Investment Funds	5350,000	6.20
	Other Financial Institution	116000	0.13
	Other Non- Financial Institution	43888865	50.89
	NRI Holdings	974823	1.13
	Bodies Corporate	17511711	20.30
	Others – Huf	4338601	5.03

- l. **Dematerialisation of Shares and Liquidity:** As on March 31<sup>st</sup> 2024, 96.26% of the capital comprising 83027750 shares, out of total of 8,62,50,000 shares were dematerialized. For the shareholders who have not yet dematerialised their shares or have not completed their KYC please follow the link and arrange to submit these with the RTA  
<https://rudraecovation.com/wp-content/uploads/2024/08/Untitled.pdf>.

m. **Reconciliation of Share Capital Audit:**

A qualified Company Secretary in practice carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. This Reconciliation is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board. The Audit Report, inter alia, confirms that the total listed and paid-up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

n. **Outstanding GDRs/ADRs Warrants or any convertible instruments have been issued by the company:**

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

However, on November 08, 2023, your company had issued 150,00,000 warrants of Rs. 10 per warrants, at face value of Rs. 1 and Premium of Rs. 9 convertible into equity shares and out of this 140,00,000 warrants converted into equity shares on May 25, 2024 and pursuant to this equity shares paid up capital of the company stood increased by 10,02,50,000.

o. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of LODR Regulations:**

The Company has raised the funds through issue and allotment of convertible warrants to the person/ entity belong to non-promoter group of Company, on preferential basis, to meet out the working capital requirement, business expansion and other general corporate purposes of the Company.

p. **Commodity price risk or foreign exchange risk and hedging activities:** Company is not exposed to any of these risks.

q. Pursuant to Schedule V of the LODR Regulations, there are no shares of the Company lying under the Unclaimed Suspense Account of the Company.

r. **CREDIT RATING:**

During the Financial Year 2023-24 no credit rating was there.

**s. Plant Locations:**

**Registered Office :** Plot no.43-44, Industrial Area, Barotiwala-174103, (Himachal Pradesh)

**Telephone No.–** 0161-4684000

**Fax No.–** 0161-4684010

**Email:** [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)

**Corporate Office :** 4<sup>th</sup> Floor, Wood stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Opposite Waves Mall, Ludhiana- 141012, Punjab.

**Telephone No.–** 0161-4684000

**Fax No.–** 0161-4684010

**Email:** [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)

- t. Investor Relation Cell address for Correspondence:** Investors/ shareholders correspondence may be addressed either to the Company's Secretarial Department , contact person: Mrs. Nancy Singla, Company Secretary and Compliance Officer, functioning at 4<sup>th</sup> Floor, Wood stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Opposite Waves Mall, Ludhiana- 141012, Punjab. or to its Registrar and Transfer Agent: **BEETAL Financial & Computer Services Pvt Ltd., at BEETAL HOUSE, 3<sup>rd</sup> Floor, 99, Madangir, Behind LSC, New Delhi - 110062.**

**OTHER DISCLOSURES****Related Party Transactions**

All related party transactions have been entered into in the ordinary course of business and are transactions for which omnibus approval of the Audit Committee was taken. There were no materially significant transactions with related parties during the financial year which were not in the normal course of business and which may have conflict with the interest of the Company. All individual transactions with related parties or others were on arm's length basis. Suitable disclosures as required by the IND AS 24 - 'Related Party Disclosures' have been made in the note no. 33 (i) to the Financial Statements. The Board has formulated a Policy for Materiality and dealing with Related Party Transactions which is available on the Company's website. (Web link: <https://rudraecovation.com/wp-content/uploads/2024/05/Policy-on-Materiality-of-and-Dealing-With-Related-Party-Transactions.pdf>)

**Penalties/ Structures:**

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

During the year the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned Compliances , rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit. The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

**Vigil Mechanism /Whistle Blower Policy**

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date.

Further in accordance with requirement of Para C 10 (c) of SEBI (Listing Obligations and Disclosures ) Regulations, 2015 affirmation is also given that no personnel has been denied access to audit committee. The details of the Whistle Blower Policy is explained posted on the website of the Company at [www.rudraecovation.com](http://www.rudraecovation.com)

**Compliances & other disclosures Mandatory Requirements**

The company has fully complied with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Adoption of non-mandatory requirements under Listing Agreement** Adoption of non-mandatory requirements as stipulated under Listing Regulations are being reviewed by the Board from time to time. Details of compliance with mandatory requirements and adoption of non-mandatory requirements as specified in Part E of Schedule II of LODR Regulations 2015. The Company has duly complied with all the mandatory requirements under Chapter IV of the SEBI (LODR), 2015. The Company has not adopted the non-mandatory (discretionary) requirements as mentioned in Part E of Schedule II of the SEBI (LODR), 2015 except that the Company has financial statement with unmodified audit opinion and the Internal Auditor reports directly to the Audit Committee.

Since the company have an on non-executive Chairperson a separate office is maintained at Registered office of the company along with a separate office at Corporate office at 4<sup>th</sup> Floor, Wood stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Opposite Waves Mall, Ludhiana- 141012, Punjab.

**Disclosure of Accounting Treatment**

The financial statements of year under review have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

**CODE OF CONDUCT**

In terms of the requirement of Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015 [“SEBI (LODR), 2015”] & Section 149(8) read with Schedule IV of the Companies Act, 2013 (“the Act”), the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and the Members of the Senior Management. A copy of code of conduct has been made available to stock exchange for its wide circulation and has been posted at the website of the Company. All Board members and senior management personnel affirm their compliance with the Code on annual basis. A declaration to this effect signed by the Whole Time Director of the Company, forms part of this Annual Report of the Company.

**POLICY FOR DETERMINATION OF MATERIALITY OF THE DISCLOSURE OF EVENTS & INFORMATION**

In accordance with regulation 30 (4) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 a policy has been adopted regarding disclosures of any events or information which, in the opinion of the board of directors is material and the same is also available on the website of the company i.e. [www.rudraecovation.com](http://www.rudraecovation.com)

**CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

The Company has adopted a Code for Prevention of Insider Trading as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors and Designated Employees/ persons who could have access to the Unpublished Price Sensitive Information are governed by the said Code.

**PREVENTION OF SEXUAL HARASSMENT**

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been constituted in accordance with the provisions of the POSH Act to redress complaints received regarding sexual harassment and all the provisions regarding the constitution are complied with.

**During the year under review, the status of complaints on sexual harassment is as follows:**

No. of Complaints filed during the financial year: Nil  
No. of Complaints disposed of during the financial year: Nil  
No. of complaints pending as on the end of financial year: Nil

**REPORT ON CORPORATE GOVERNANCE**

A report on Corporate Governance forms part of the Annual Report of the Company and is sent to the shareholders accordingly. The Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges within the time stipulated under SEBI (LODR) 2015.

**Disclosures of Compliance with Corporate Governance Requirements**

The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 of LODR. The Company has complied with Clause (b) to (i) of sub regulation (2) of Regulation 46, relating to website disclosures. The Company's website contains a separate section ‘Investor Relations’ where members can access the details of the Board, Policies, the Board Committee, financials, details of unclaimed dividend and shares transferred/ liable to be transferred to IEPF, Stock exchange disclosures etc.

**CERTIFICATIONS**

In compliance with Regulation 17(8) and 33 of the SEBI (LODR), 2015, the Company duly places a Certificate signed by Chairman and Whole Time Director and Chief Financial Officer of the Company before the Board of Directors. The Company has obtained a certificate from its Secretarial Auditor regarding compliance of conditions of Corporate Governance stipulated under Listing Regulations and the said certificate is attached to the Directors Report and forms a part of the Annual Report. The said certificate is sent to the shareholders and Stock Exchanges along with the Annual Report of the Company.

A certificate from the Company Secretary in Practice has been received stating 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, attached as Annexure A.

**REMUNERATION TO STATUTORY AUDITORS**

Manjul Mittal & Associates., Chartered Accountants (ICAI Firm Registration number 028039N), the Company's Statutory Auditor is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the LODR Regulations, Details relating to fees paid to the Statutory Auditors are given in Note 27(a) to the Financial Statements and (its subsidiaries— Not Applicable) on a consolidated basis to the Statutory auditor and all entities in the network firm/ entity of which the statutory auditor is a part.

**Unclaimed Dividends**

There is no amount lying in unclaimed dividend account.

---

**CEO/ CFO CERTIFICATION**

To  
The Board of Directors  
Rudra Ecovation Limited

As provided under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, we certify the following to the Board that for the year ended 31st March, 2024:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2024 and to the best of our Knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) that there have been no changes in internal control over financial reporting during the year;
  - (2) that there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no instances of fraud of which we have become aware.

For and on behalf of the Board

Place: Ludhiana  
Date: September 02, 2024

Sd/-  
Vinod Kumar Goyal  
Chief Executive Officer

Sd/-  
Sebastian Joseph  
Chief Financial Officer



**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SCHEDULE V OF THE SEBI (LODR) REGULATIONS, 2015.**

The Members,

**RUDRA ECOVATION LIMITED** (Formerly Himachal Fibres Limited),

**Registered Office:** Plot No. 43-44, Industrial Area, Barotiwala-174103 (HP)

**Corporate Office:** 4th Floor, Woodstock Tower, B-35/958, Ferozepur Road, Opposite Waves Mall, Ludhiana, 141008.

**CIN: L17119HP1980PLC031020 / L43292HP1980PLC031020**

I have examined the compliance of conditions of Corporate Governance by **RUDRA ECOVATION LIMITED** ('the Company'), for the year ended on **31<sup>st</sup> March, 2024**, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015" as amended from time to time).

During the year, the provisions of the corporate governance were not applicable to the company as the paid-up equity share capital and net worth were falling in the criteria mentioned in regulation 15(2) But as on the date of report the provisions are applicable to the Company.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) regulations, 2015 for the year ended on **March 31, 2024**.

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

**Place: Ludhiana**  
**Dated: 29.08.2024**

**UDIN: A060218F001073109**  
**Peer review number: 2971/2023**

Sd/-  
(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626

ANNEXURE-A

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

The Members,

**RUDRA ECOVATION LIMITED** (Formerly Himachal Fibres Limited),

**Registered Office:** Plot No. 43-44, Industrial Area, Barotiwala-174103 (HP)

**Corporate Office:** 4th Floor, Woodstock Tower, B-35/958, Ferozepur Road, Opposite Waves Mall, Ludhiana, 141008.

**CIN: L17119HP1980PLC031020 / L43292HP1980PLC031020**

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **RUDRA ECOVATION LIMITED** having CIN:L17119HP1980PLC031020 / L43292HP1980PLC031020 and having registered office at Plot No. 43-44, Industrial Area, Barotiwala-174103 (HP)(hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In my/our opinion and to the best of my / our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the **Financial Year ending on 31<sup>st</sup> March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Directors Details			
Sr. No.	DIN/PAN	Name	Date of appointment / Cessation
1	06872575	MANOJ KUMAR	22/08/2016
2	07006447	GIAN CHAND THAKUR	12/11/2014
3	07140603	MALKEET KAUR	28/03/2015
4	07143372	SURJIT SINGH	14/11/2018
5	00126240	AKHIL MALHOTRA	23/11/2023
6	02139510	BHIM SAIN GOYAL	23/11/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana  
Dated: 29.08.2024

Sd/-  
(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626

UDIN: A060218F001073098  
Peer review number: 2971/2023

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Rudra Ecovation Limited  
Formerly Himachal Fibres Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Rudra Ecovation Limited (Formerly Himachal Fibres Limited)** ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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

**Emphasis of Matter**

We draw attention to Note 5 to the standalone financial statements, which describes that the Company has made assessment of the inventories carried during the year under review on the basis its nature and ageing. On the basis of its assessment the company has identified inventories amounting to Rs.975.27 Lakhs as slow moving inventories and segregated it under the head "Other non current assets" in the Statement of Assets & Liabilities as at 31st March 2024.

Our Opinion is not modified in respect of the above matters.

### Key Audit Matters

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

#### Key Audit Matter

The company has shown **Trade Receivables-Unsecured, Considered good** amounting to Rs.577.22 Lakhs as Other Non-Current Assets.

**See Note 4 of the standalone financial statements.**

#### Auditor's Response

The procedures performed included the following among others:

- Understood the management processes, assumptions and controls with regard to testing, evaluating and identifying the Trade Receivables as Non-Current Assets.
- Obtaining external confirmation as per SA 505.
- Management has determined that there is no impairment loss which needs to be provided for.
- Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, 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.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide 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 standalone 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 in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) On the basis of examination of the books of account and information and explanations given to us, the company has not paid any managerial remuneration during the period under review, therefore the provisions of section 197 read with Schedule V to the Act is not applicable to the company.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial statements; refer Note 29 to the standalone Ind AS financial statements.
    - ii. The company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,

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;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared/paid any dividend to the shareholders.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

**FORMANJUL MITTAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REG. NO. 028039N**

**DATED: 25.05.2024**  
**PLACE: LUDHIANA**

**MANJUL MITTAL**  
**PARTNER**  
**(M.NO.500559)**  
**UDIN:24500559BKFAPF9641**

### “Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of **M/s Rudra Ecovation Limited (Formerly Himachal Fibres Limited)** (“the Company”) for the year ended March 31, 2024:

- i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;
  - (B) The Company has no intangible assets for the year ended March 31, 2024.
  - (b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (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 all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- b) According to the information and explanation given to us and on the basis of our examination of the records, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks/financial on the basis of the security of current assets. The company is not availing any working capital limits from any Bank/Financial Institutions. Therefore, reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties.
- iv) In our opinion and according to the information and explanations given to us, the provisions of sections 185 and 186 of the Companies Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees, and securities given have been complied with by the company.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate or not.



vii) (a) In our opinion, the Company has not been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except following:-.

S.No.	Statute	Nature	Amount in Lakhs
1	Himachal Pradesh Sales Tax Act	Works Contract Tax Payable	1.36
2	Employee's State Insurance Act, 1948	E.S.I. Payable	10.52
3	Finance Act, 2005	Service Tax Payable	0.04

b) In our opinion and according to the information and explanations given to us, the Company has no statutory dues referred to in sub-clause (a) above which is pending for deposit as on March 31, 2024 on account of dispute.

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

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 during the year under review.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any 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) The Company has not raised any fresh short term loan during the year. Therefore, the provisions of clause 3 (ix) (d) of the Order could not be commented upon.

(e) The company has no subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3 (ix) (e) of the Order are not applicable to the Company and hence not commented upon.

(f) The company has no subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3 (ix) (f) of the Order are not applicable to the Company and hence not commented upon.

x) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year under review. Accordingly, the provisions of clause 3 (x) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the company have issued and allotted 1,50,00,000 convertible warrants at a price of Rs.10/- per warrant to the non-promoters on preferential basis with a right to the warrant holders to apply for and be allotted 1 fully paid up equity share of the company of face value of Rs. 1/- each at a premium of Rs. 9/- per share for each warrant with in a period of 18 months from the date of allotment of warrants. Monies received against the above mentioned share warrants have been applied for the purposes for which it has been received.

xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company has been noticed or reported during the year.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii) Since the Company is not a Nidhi Company, therefore, the provisions of clause (xii) (a), (xii) (b) and (xii) (c), of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act.
- xvi) (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934) and accordingly, the provisions of clause 3 (xvi)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has neither incurred any cash losses during the financial year covered by our audit nor in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year under review.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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) Section 135 of the Companies Act is not applicable to the company, therefore reporting under clause 3(xx) of the Order is not applicable.

FOR MANJUL MITTAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG.NO.028039N

DATED: 25.05.2024  
PLACE: LUDHIANA

MANJUL MITTAL  
PARTNER  
(M.NO.500559)

UDIN:24500559BKFPF9641

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of  
M/s Rudra Ecovation Limited (Formerly Himachal Fibres Limited).**

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

We have audited the internal financial controls over financial reporting of M/s Himachal Fibres Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

**FOR MANJUL MITTAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 028039N**

**DATED:  
PLACE: LUDHIANA  
UDIN:24500559BKFAPF9641**

**MANJUL MITTAL  
PARTNER  
(M.NO.500559)**

**Rudra Ecovation Limited**  
**(Formerly Himachal Fibres Limited)****Notes to financial statements for the year ended 31st March 2024****1. Corporate Information**

Rudra Ecovation Limited (Formerly Himachal Fibres Limited) (hereinafter referred to as "the Company") is a Company incorporated and domiciled in India with its registered office is at Plot No. 43-44, Industrial Area, Barotiwala, District Solan, Himachal Pradesh. Corporate identification number of the company is L17119HP1980PLC031020 and the company is engaged in the business of manufacturing and sale of cotton polyester yarn and knitted clothes.

**2. Significant accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

**(a) Basis of preparation and presentation**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") including the rules notified under the Companies Act, 2013 amended from time to time.

The financial statements were authorized for issue by the Company's Board of Directors on 25<sup>th</sup> May, 2024.

**(b) Basis of measurement**

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

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets. Or Employee's Defined Benefit Plan as per actuarial valuation.

**(c) Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, which is also the Company's the functional currency.

**(d) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and judgment that affect the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The area involving significant estimates and judgments are:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Measurement of defined benefit obligations: key actuarial assumptions
- Estimation of useful lives of property, plant and equipment and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

**(e) Current / non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### **Liabilities**

A Liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### **(f) Property, plant and equipment**

##### **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. 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 directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located and condition necessary for it to be capable of operating in.

An item of property, plant and equipment and any significant part initially recognized the manner intended by management.. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognized.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

##### **Subsequent expenditure**

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-today repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

##### **Depreciation**

Depreciation on property, plant and equipment has been provided on Straight line method in the manner and over the useful life of the assets prescribed under Part 'C' of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

#### **(g) Impairment**

##### **Impairment of financial assets**

The Company recognizes loss allowance for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit

impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default in payment within the due date;
- the restructuring of a loan or advance by the entity on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to 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.

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 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 realizing security (if any) is held.

#### **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).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized 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 the Company's procedures for recovery of amounts 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). An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value on an appropriate discount factor.

#### **(h) Inventories**

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost in respect of different classifications of inventories is computed as under:

- in case of raw material, stores and spares, diesel and packing material at first-in-first-out (FIFO) cost method plus direct expenses.
- in case of work-in-progress at raw material cost (determined on FIFO cost method) plus appropriate portion of conversion cost and other overheads incurred depending upon the stage of completion.

- in case of finished goods at raw material cost (determined on FIFO cost method) plus conversion cost, packing cost and other overheads incurred to bring the goods up to their present location and condition.
- Saleable waste/ Scrap has been valued at estimated net realizable value.
- Goods/ material in transit are valued at realizable value to date.

**(i) Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of Profit and Loss

**(j) 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 recognized for the amount expected to be paid e.g., under short-term cash bonus, 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.

– **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

– **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan 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 quarterly/annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized 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 contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or 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 recognized in 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 recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**(k) Revenue recognition**

– **Revenue from Sale of goods**

– Revenue is measured at the fair value of the consideration received or receivable. Sales are recognized when the significant risks and rewards of ownership which coincide with transfer of controls of goods, are



transferred to the buyer as per terms of contract and are recognized. Amounts disclosed as revenue is net of returns, trade discounts, Good and Service Tax (GST) and amount collected on behalf of third parties.

- The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the company.
- **Revenue from other than sale of goods**
- Revenue (other than sale) is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- Insurance claims are accounted for on an accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.

**(l) Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method (EIR). Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(m) Borrowing costs**

Borrowing cost are interest and other costs incurred in connection with borrowing of funds. Borrowing costs directly attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

**(n) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right of use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Particulars	Lease Term
Leasehold Land	99 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**ii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases except in case of lease contracts with related parties since there exist economic incentive for the Company to continue using the leased premises for a period longer than the 11 months and considering the contract is with the related parties, it does not foresee non-renewal of the lease term for future periods, thus basis the substance and economics of the arrangements, management believes that under Ind AS 116, the lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use

the leased asset (i.e. reasonable certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**(o) 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 instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

**i. Financial Assets****Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classifications**

The company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Business model assessment**

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

**Debt instruments at amortized cost**

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

**Debt instrument at fair value through Other Comprehensive Income (FVOCI)**

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

**Debt instrument at fair value through profit and loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

## ii. Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

## iii. Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

**Gains or losses on liabilities held for trading are recognized in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

**Derivative financial instruments**

Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies. The Company recognizes all derivatives as assets or liabilities measured at their fair value. The changes by marked to market then at each reporting date and the related gains (losses) are recognized in the Statement of Profit and Loss.

**De-recognition of financial liabilities**

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

**(p) Measurement of fair values**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorized 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 or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(q) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities

**(r) Earning per share**

Basic earning per share (EPS) are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share (EPS), the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(s) Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the financial statements.

**(t) Taxation**

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

**i. 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

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

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit 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.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**Rudra Ecovation Limited**  
**(Formerly Himachal Fibres Limited)****Notes to financial statements for the year ended 31st March 2024****1. Corporate Information**

Rudra Ecovation Limited (Formerly Himachal Fibres Limited) (hereinafter referred to as "the Company") is a Company incorporated and domiciled in India with its registered office is at Plot No. 43-44, Industrial Area, Barotiwala, District Solan, Himachal Pradesh. Corporate identification number of the company is L17119HP1980PLC031020 and the company is engaged in the business of manufacturing and sale of cotton polyester yarn and knitted clothes.

**2. Significant accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

**(a) Basis of preparation and presentation**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") including the rules notified under the Companies Act, 2013 amended from time to time.

The financial statements were authorized for issue by the Company's Board of Directors on 25<sup>th</sup> May, 2024.

**b) Basis of measurement**

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

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets. Or Employee's Defined Benefit Plan as per actuarial valuation.

**c) Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, which is also the Company's the functional currency.

**d) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and judgment that affect the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The area involving significant estimates and judgments are:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Measurement of defined benefit obligations: key actuarial assumptions
- Estimation of useful lives of property, plant and equipment and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

**e) Current / non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### **Liabilities**

A Liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### **f) Property, plant and equipment**

##### **Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. 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 directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located and condition necessary for it to be capable of operating in.

An item of property, plant and equipment and any significant part initially recognized the manner intended by management.. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole. is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognized.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

##### **Subsequent expenditure**

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-today repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

##### **Depreciation**

Depreciation on property, plant and equipment has been provided on Straight line method in the manner and over the useful life of the assets prescribed under Part 'C' of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

#### **g) Impairment**

##### **Impairment of financial assets**

The Company recognizes loss allowance for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit

impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default in payment within the due date;
- the restructuring of a loan or advance by the entity on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to 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.

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 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 realizing security (if any) is held.

#### **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).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized 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 the Company's procedures for recovery of amounts 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). An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value on an appropriate discount factor.

#### **h) Inventories**

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost in respect of different classifications of inventories is computed as under:

- in case of raw material, stores and spares, diesel and packing material at first-in-first-out (FIFO) cost method plus direct expenses.
- in case of work-in-progress at raw material cost (determined on FIFO cost method) plus appropriate portion of conversion cost and other overheads incurred depending upon the stage of completion.
- in case of finished goods at raw material cost (determined on FIFO cost method) plus conversion cost, packing cost and other overheads incurred to bring the goods up to their present location and condition.



- Saleable waste/ Scrap has been valued at estimated net realizable value.
- Goods/ material in transit are valued at realizable value to date.

**i) Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of Profit and Loss

**j) 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 recognized for the amount expected to be paid e.g., under short-term cash bonus, 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.

– **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

– **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan 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 quarterly/annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized 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 contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or 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 recognized in 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 recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**k) Revenue recognition**

– **Revenue from Sale of goods**

- Revenue is measured at the fair value of the consideration received or receivable. Sales are recognized when the significant risks and rewards of ownership which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract and are recognized. Amounts disclosed as revenue is net of returns, trade discounts, Good and Service Tax (GST) and amount collected on behalf of third parties.

- The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the company.
- **Revenue from other than sale of goods**
- Revenue (other than sale) is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- Insurance claims are accounted for on an accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.

**l) Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method (EIR). Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**m) Borrowing costs**

Borrowing cost are interest and other costs incurred in connection with borrowing of funds. Borrowing costs directly attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

**n) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right of use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Particulars	Lease Term
Leasehold Land	99 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**ii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases except in case of lease contracts with related parties since there exist economic incentive for the Company to continue using the leased premises for a period longer than the 11 months and considering the contract is with the related parties, it does not foresee non-renewal of the lease term for future periods, thus basis the substance and economics of the arrangements, management believes that under Ind AS 116, the lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use

the leased asset (i.e. reasonable certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**o) 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 instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

**i. Financial Assets****Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classifications**

The company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Business model assessment**

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

**Debt instruments at amortized cost**

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

**Debt instrument at fair value through Other Comprehensive Income (FVOCI)**

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

**Debt instrument at fair value through profit and loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

## ii. Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

## iii. Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

**Financial Liabilities measured at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

**Gains or losses on liabilities held for trading are recognized in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

**Derivative financial instruments**

Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies. The Company recognizes all derivatives as assets or liabilities measured at their fair value. The changes by marked to market then at each reporting date and the related gains (losses) are recognized in the Statement of Profit and Loss.

**De-recognition of financial liabilities**

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

**p) Measurement of fair values**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorized 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 or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**q) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities

**r) Earning per share**

Basic earning per share (EPS) are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share (EPS), the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**s) Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the financial statements.

**t) Taxation**

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

**i. 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

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

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit 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.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Rudra Ecovation Limited

(Formerly Himachal Fibres Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2024

	PARTICULARS	Amount (Rs.in Lakhs)			
		Figures at the end of Current Reporting Year 31.03.2024	Figures at the end of Current Reporting Year 31.03.2023	AS AT 31.03.2024 (Audited)	AS AT 31.03.2023 (Audited)
A.	<b>CASH FLOW FROM/USED IN OPERATING ACTIVITIES</b>	-	-		
	NET PROFIT BEFORE TAX	(10,507,592.38)	31,391,971.72	(105.07)	313.92
	<b>ADJUSTMENTS FOR:</b>	-	-		
	DEPRECIATION	13,031,375.80	15,640,453.00	130.31	156.40
	MISCELLANEOUS EXPENSES WRITTEN OFF				
	INTEREST EXPENSES	17,010,083.60	11,650,858.64	170.10	116.51
	INTEREST INCOME	(408,923.02)	(51,000.00)	(4.09)	(0.51)
	LOSS ON SALE OF ASSETS	-	224,318.00	0.00	2.25
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>19,124,944.00</b>	<b>58,856,601.36</b>	<b>191.25</b>	<b>588.57</b>
	ADJUSTMENTS FOR:				
	(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	76,310,360.47	52,414,651.00	763.10	524.15
	(INCREASE)/DECREASE IN INVENTORIES	6,959,263.19	2,944,435.66	69.59	29.44
	INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES	(65,141,546.99)	(3,542,623.38)	(651.41)	(35.43)
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>37,253,020.67</b>	<b>110,673,064.64</b>	<b>372.53</b>	<b>1,106.73</b>
	INCOME TAX PAID	1,597,104.61	-	15.97	-
	<b>NET CASH FROM/USED IN OPERATING ACTIVITIES</b>	<b>35,655,916.06</b>	<b>110,673,064.64</b>	<b>356.56</b>	<b>1,106.73</b>
B.	<b>CASH FLOW FROM/USED IN INVESTING ACTIVITIES</b>	-	-		
	PURCHASE OF FIXED ASSETS	(9,014,970.49)	-	(90.15)	-
	SALE OF FIXED ASSETS	-	7,650,000.00	-	76.50
	INTEREST RECEIVED	408,923.02	51,000.00	4.09	0.51
	<b>NET CASH FROM/USED IN INVESTING ACTIVITIES</b>	<b>(8,606,047.47)</b>	<b>7,701,000.00</b>	<b>(86.06)</b>	<b>77.01</b>
C.	<b>CASH FLOW FROM/USED IN FINANCING ACTIVITIES</b>				
	PROCEEDS FROM ISSUE OF SHARE WARRANTS	61,875,000.00	-	618.75	-
	(REPAYMENT) RECEIPT OF LONG TERM BORROWINGS	11,933,618.00	10,446,829.00	119.34	104.47
	CHANGES IN WORKING CAPITAL LOANS/SHORT TERM BORROWINGS	(60,000,000.00)	(116,231,020.00)	(600.00)	(1,162.31)
	INTEREST PAID				

	(17,010,083.60)	(11,650,858.64)	(170.10)	(116.51)
<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>(3,201,465.60)</b>	<b>(117,435,049.64)</b>	<b>(32.01)</b>	<b>(1,174.35)</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLAENTS	23,848,403.00	939,015.00	238.49	9.39
OPENING CASH AND CASH EQUIVALENTS	1,618,333.00	679,318.00	16.18	6.79
CLOSING CASH AND CASH EQUIVLAENTS	25,466,736.00	1,618,333.00	254.67	16.18

(0.00) 0.00 (0.00) 0.00

As per our attached report of even date  
For **Manjul Mittal & Associates**  
Chartered Accountants  
Firm Reg.No.028039N

For and on behalf of the Board of Directors of  
**Rudra Ecovation Limited**

**MANJUL MITTAL**  
PARTNER  
M.NO. 500559

**Gian Chand Thakur**  
(Whole Time Director)  
DIN : 07006447

**Manoj Kumar**  
(Director)  
DIN : 06872575

Dated- 25th May'2024  
Place- Ludhiana

**Sebastian Joseph**  
(CFO)

**Nancy Singla**  
(Company Secretary)



**Rudra Ecovation Limited**

(Formerly Himachal Fibres Limited)

**Balance Sheet as at 31st March 2024**

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Note No.	As at 31.03.2024		As at 31.03.2023	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, Plant and Equipment	3	1,144.20		1,184.26	
(b) Capital Work in Progress				-	
(c) Right-of-use assets	39	5.97		6.07	
(d) Financial Assets					
(i) Others Financial Assets				-	
(e) Deferred tax assets (net)		234.35		182.76	
(f) Other non-current assets	4	<u>1,580.54</u>	2,965.06	<u>1,770.12</u>	3,143.21
<b>Current assets</b>					
(a) Inventories	5	529.38		598.97	
(b) Financial Assets					
(i) Trade receivables	6	242.93		809.09	
(ii) Cash and cash equivalents	7	254.67		16.18	
(c) Current Tax Assets (Net)	8	4.83		37.81	
(d) Other Current Assets	9	<u>87.90</u>	1,119.71	<u>62.28</u>	1,524.33
<b>Total Assets</b>			<b><u>4,084.77</u></b>		<b><u>4,667.54</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	10	862.50		862.50	
(b) Other Equity	11	1,293.77		1,363.23	
(c) Money received against share warrants		<u>618.75</u>	2,775.02	<u>-</u>	2,225.73
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	12	64.52		56.59	

(ii) Other Long Term Liabilities	13	854.17		742.76	
(b) Provisions	14	16.67	935.36	18.66	818.01
<b>Current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	15	-		600.00	
(ii) Trade Payables	16				
I. Dues to Micro and Small Enterprise (MSE)		31.82		24.06	
II. Other than MSE Dues		22.30		28.93	
(iii) Other financial liabilities	17	175.30		161.32	
(b) Other current liabilities	18	142.98		787.39	
(c) Provisions	19	1.99	374.39	22.10	1,623.80
<b>Total Equity and Liabilities</b>			<b>4,084.77</b>	<b>4,667.54</b>	

(0)

(0)

As per our attached report of even date

For **Manjul Mittal & Associates**

Chartered Accountants

Firm Reg.No.028039N

For and on behalf of the Board of Directors of

**Rudra Ecovation Limited**

**MANJUL MITTAL**

PARTNER

M.NO. 500559

UDIN: 24500559BKFAPF9641

**Gian Chand Thakur**

(Whole Time Director)

DIN : 07006447

**Manoj Kumar**

(Director)

DIN : 06872575

Dated- 25th May'2024

Place- Ludhiana

Sebastian Joseph

(CFO)

Nancy Singla

(Company Secretary)

**Rudra Ecovation Limited**

(Formerly Himachal Fibres Limited)

**Statement of Profit and Loss for the period ended 31st March 2024**

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Note No.	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>REVENUE</b>			
Revenue from operations	20	1,961.79	2,683.29
Other Income	21	85.71	89.93
<b>Total Income</b>		<u>2,047.50</u>	<u>2,773.22</u>
<b>EXPENSES</b>			
Cost of materials consumed	22	923.20	1,439.72
Changes in inventories of finished goods and work-in-progress	23	76.37	63.46
Employee benefits expense	24	437.27	489.49
Finance costs	25	170.10	116.51
Depreciation expense	26	130.31	156.40
Other expenses	27	425.89	513.87
<b>Total Expenses</b>		<u>2,163.14</u>	<u>2,779.45</u>
<b>Profit/ - Loss before exceptional items and tax</b>		(115.64)	(6.23)
Exceptional items-Expenses/(Income)			(304.76)
<b>Profit/ - Loss before tax</b>		(115.64)	298.53
<u>Less: Tax Expense:</u>			
(1) Current tax		-	-
(2) Deferred tax		(51.59)	5.50
<b>Profit/ - Loss for the period</b>		<u>(64.05)</u>	<u>293.03</u>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		10.57	15.39
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period</b>		<u>(53.48)</u>	<u>308.42</u>
<b>Earnings per equity share:</b>			
(Nominal value of equity share - Rupee 1/-)			
Basic		(0.07)	0.34
Diluted		(0.07)	0.34

As per our attached report of even date  
For **Manjul Mittal & Associates**  
Chartered Accountants  
Firm Reg.No.028039N

For and on behalf of the Board of Directors of  
**Rudra Ecovation Limited**

**MANJUL MITTAL**  
PARTNER  
M.NO. 500559

**Gian Chand Thakur**  
(Whole Time Director)  
DIN : 07006447

**Manoj Kumar**  
(Director)  
DIN : 06872575

Dated- 25th May'2024  
Place- Ludhiana

**Sebastian Joseph**  
(CFO)

**Nancy Singla**  
(Company Secretary)

**Rudra Ecovation Limited**

(Formerly Himachal Fibres Limited)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2024**

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

No te No.	Particulars	As at 31.03.2024	As at 31.03.2023
<b>4.</b>	<b>Other non-current assets</b>		
	Capital Advances	6.40	6.40
	Security deposits	21.65	21.65
	<b>Trade receivables</b>		
	-Unsecured, considered good :		
	Less than 6 months	-	-
	6 Months to 1 Year	-	-
	1-2 Years	-	-
	2-3 Years	369.89	207.33
	More than 3 Years	<u>207.33</u>	<u>518.87</u>
	-Doubtful		
	Less: Allowance for Doubtful receivables		
	<b>Long Term Debtors</b>	577.22	726.20
	Slow Moving Inventories	975.27	1,015.87
	<b>Total</b>	<u>1,580.54</u>	<u>1,770.12</u>
<b>5.</b>	<b>Inventories</b>		
	<b>(Refer note no. 2 (h) for mode of valuation)</b>		
	Raw materials	108.96	132.45
	Work-in-progress	71.99	71.82
	Finished goods	1,012.86	1,089.40
	Stock-In-Trade	63.25	63.25
	Stores and spares	<u>247.58</u>	<u>257.92</u>
		1,504.64	1,614.84

Less: Slow Moving Inventories (Non Current)	<u>975.27</u>	<u>1,015.87</u>
<b>Total</b>	<u>529.37</u>	<u>598.97</u>

**6. Trade receivables**

Unsecured, considered good :  
Related Parties - Where Director is Director or Member  
(I) Undisputed Trade Receivable - Considered Good

Less than 6 months	240.69	100.34
6 Months to 1 Year	-	708.75
1-2 Years	2.24	-
2-3 Years	-	-
More than 3 Years	<u>-</u>	<u>-</u>
	242.93	809.09

Other Parties  
(II) Undisputed Trade Receivable - Considered Doubtful  
(III) Disputed Trade Receivable - Considered Good  
(iv) Disputed Trade Receivable - Considered Doubtful

Total	<u>242.93</u>	<u>809.09</u>
Less: Provision for Doubtful Debts	<u>-</u>	<u>-</u>
<b>Total</b>	<u>242.93</u>	<u>809.09</u>

Doubtful	-	-
Less: Provision for Life Time Expected Credit Loss	-	-
Others	<u>-</u>	<u>-</u>
<b>Total</b>	<u>242.93</u>	<u>809.09</u>

**7. Cash and cash equivalents**

Balances with banks

- in current/ cash credit accounts	254.34	10.94
- in deposit accounts with maturity upto three months (pledged with banks towards margin against Bank guarantees)		

Cheque in Hand	-	5.00
Cash in hand	0.33	0.24
FDR A/C -HDFC BANK	-	
<b>Total</b>	<b>254.67</b>	<b>16.18</b>

**8. Current Tax Assets (Net)**

TDS/ TCS Recoverable	4.83	37.81
<b>Total</b>	<b>4.83</b>	<b>37.81</b>

**9. Other current assets**

Advances to suppliers of goods and services		
Other Parties	43.39	40.78
Other advances Recoverable in Cash or Kind	8.88	2.88
Input VAT Credit (HP)	-	0.04
Input VAT Credit (Punjab)	-	0.03
GST Input (HP and Punjab)	35.63	18.55
<b>Total</b>	<b>87.90</b>	<b>62.28</b>

**10. Equity Share capital**

**Authorised**

*Equity Shares*

- 17,50,00,000(PY 17,50,00,000) Equity Shares for Re. 1/- EACH

	1,750.00	1,750.00
--	----------	----------

*Preference Shares*

- 1,65,000 16.5% Cumulative Redeemable Pref. Shares of Rs.100/- Each

	165.00	165.00
--	--------	--------

- 14,35,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100/- Each

	1,435.00	1,435.00
--	----------	----------

<b>Total</b>	<b>3,350.00</b>	<b>3,350.00</b>
--------------	-----------------	-----------------

**Issued, Subscribed & Paid**

**Up Equity Shares**

- 8,62,50,000 (PY 8,62,50,000) Equity Shares for Re. 1/- Each Fully Paid up

	862.50	862.50
--	--------	--------

<b>Total</b>	<b>862.50</b>	<b>862.50</b>
--------------	---------------	---------------

**The reconciliation of the number of shares outstanding at the beginning and at the end of the period:**

**Equity shares of Rs. 1/- each:**

Particulars		
Number of shares and amount at the beginning	86,250,000	86,250,000
Add : Shares issued	-	-
Share Application Money	-	-
Number of shares and amount at the end	86,250,000	86,250,000

**Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:**

Equity shares: The company has one class of equity share having par value of Rs. 1/- per share. Every member holding equity shares and entitled to vote and present in person or by proxy shall have voting rights which shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid up or partly paid up) held by him bears to the total paid up equity capital of the company.

**Shares in the company held by each shareholder holding more than 5 percent shares:**

Name of the shareholder	Number of shares	% held	Number of shares	% held
Balmukhi Textile P Ltd.	-	-	13,180,500	15.28
Brijeshwari Textiles P Ltd.	7,041,500	8.16	13,180,500	15.28
Shiva Spinfab P Ltd.	-	-	13,680,500	15.86
Himachal Yarns Ltd.	-	-	9,610,050	11.14
Shiv Narayan Investments P Ltd.	-	-	8,999,750	10.43
Garg Fincap Ltd.	-	-	6,715,000	7.79
Mr. Akhil Malhotra	5,000,000	5.80	5,000,000	5.80
DPG Textile Limited	6,715,000	7.79	-	-
India Equity Fund 1	5,350,000	6.20	-	-
Saket Agrawal	5,130,315	5.95	-	-
	29,236,815	33.90	70,366,300	81.59

Promoters' share holding*	Number of shares	% held	Number of shares	% held	% of Change during the Year
<b>1) Indian</b>					
<b>a) Individual</b>					
Akhil Malhotra	5,000,000	5.80%	5,000,000	5.80%	0.00%
Mayank Malhotra	2,000,000	2.32%	2,000,000	2.32%	0.00%



<b>Sub Total</b>	<b>7,000,000</b>	<b>8.12%</b>	<b>7,000,000</b>	<b>8.12%</b>	<b>0.00%</b>
<b>b) Other body Corporates</b>					
Balmukhi Textiles Private Limited	-	0.00%	13,180,500	15.28%	-15.28%
Brijeshwari Textiles Private Limited	7,041,500	8.16%	13,180,500	15.28%	-7.12%
Shiva Spinfab Private Limited	-	0.00%	13,680,500	15.86%	-15.86%
<b>Sub Total</b>	<b>7,041,500</b>	<b>8.16%</b>	<b>40,041,500</b>	<b>46.42%</b>	<b>-38.26%</b>
<b>Total Shareholding of Promoter and Promotor Group</b>	<b>14,041,500</b>	<b>16.28%</b>	<b>47,041,500</b>	<b>54.54%</b>	<b>-38.26%</b>

11. **Other Equity**

**Redeemable Preference Shares**

The Company has issued 12,00,000 (PY 12,00,000) 4% Non-Cumulative Redeemable Preference Shares of Rs. 100/- Each on 31st August 2009. The said preference shares shall be redeemed after the expiry of 16th, 17th & 18th year from the date of allotment by repayments of the amounts paid up thereon along with such premium not exceeding 4% per annum (to be calculated for the period of 15 years) on the face value of preference shares for the period to be reckoned from the date of allotment in installment of 30%, 35%, and 35% respectively.

**The Preference Shares are presented in the Balance Sheet as follows.**

Equity Component of Preference Shares 4% Non-Cumulative Redeemable Preference Shares		921.00		921.00
Equity Component of Preference Shares		921.00		921.00

**Retained Earnings**

Balance at the beginning of the year	(2,672.98)		(2,981.40)	
Add: Profit/(Loss) for the year	(64.05)		293.03	
Add: Other Comprehensive Income	10.57		15.39	
Less: Income Tax for Earlier Years	(15.97)		-	
Balance at the end of the Year		(2,742.43)		(2,672.98)

**Capital redemption reserve**

As at the commencement of the year	314.89		314.89	
Add: receipt during the year	-	314.89	-	314.89

**Capital reserves**

As at the commencement of the year	1,777.93		1,777.93	
Add: receipt during the year	-	1,777.93	-	1,777.93

**Share Premium Account**

As at the commencement of the year	520.00	520.00		
Add: Additions during the year	-	520.00	-	520.00
<b>Equity Component of Unsecured Loan</b>	502.38	502.38		
Less : Redeemed During The Year	-	502.38	-	502.38
<b>Total</b>		<b>1,293.77</b>		<b>1,363.22</b>
<b>12. Borrowings</b>				
<b><u>Secured Flexi Loan</u></b>				
JFC Finance (India) Limited			600.00	
Less: Current maturities of long term loans			600.00	-
<b>Unsecured Loans</b>				
Inter Corporate Deposits	525.00	525.00		
	525.00	525.00		
Less: Equity Portion of Unsecured Loan	(502.38)	(502.38)		
Add: NPV of Interest on Unsecured Loans	41.90	64.52	33.98	56.59
<b>Total</b>		<b>64.52</b>		<b>56.59</b>
<b>13 Other Long Term Liabilities</b>				
Redeemable Portion of 4% Non-Cummulative Pref Share Capital		854.17		742.76
<b>Total</b>		<b>854.17</b>		<b>742.76</b>
<b>14. Provisions</b>				
Provision for Employee Benefits Gratuity		16.67		18.66
<b>Total</b>		<b>16.67</b>		<b>18.66</b>
<b>15. Borrowings</b> (Secured, Considered Good)				
Cash Credit Account (Secured)			1,501.49	



<b>Total</b>	<u>175.30</u>	<u>161.32</u>
<b>18. Other current liabilities</b>		
Statutory Dues Payable		
- Provident Fund	0.79	36.90
- Employee State Insurance (ESI)	11.85	10.72
- GST Payable RCM	0.22	-
- Tax Deducted at Source	4.61	3.80
- Service Tax	0.04	0.04
- Work Contract Tax	1.36	1.36
Other Liabilities Payable	113.28	716.88
Cheques Issued But Not Presented	10.83	17.70
<b>Total</b>	<u>142.98</u>	<u>787.40</u>
<b>19. Provisions</b>		
Provision for employee benefits		
- Gratuity	1.99	0.27
Income Tax Payable	-	21.83
<b>Total</b>	<u>1.99</u>	<u>22.10</u>
<b>20. Revenue from operations</b>		
<b>Sale of products</b>	<u>1,916.51</u>	<u>2,621.70</u>
	<u>1,916.51</u>	<u>2,621.70</u>
<b>Other operating revenues</b>		
Sale of waste	43.78	50.39
Sale of Stores & Spares	1.50	10.96
Sale of scrap	-	0.24
	<u>45.28</u>	<u>61.59</u>
<b>Total</b>	<u>1,961.79</u>	<u>2,683.29</u>
<b>21. Other income</b>		
Interest income	4.09	0.51

Misc income	0.11	0.09
Other Non -operative Income	81.51	88.21
Sundry Balances Written Back		1.12
	<hr/>	<hr/>
<b>Total</b>	<b>85.71</b>	<b>89.93</b>
<b>22. Cost of materials consumed</b>		
<u>Cost of raw materials consumed</u>		
Opening stock of raw materials	132.45	111.67
Add: purchase of raw materials	899.71	1,460.50
	<hr/>	<hr/>
	1,032.16	1,572.17
<b>Less :</b>		
Closing stock of raw materials	108.96	132.45
	<hr/>	<hr/>
<b>Cost of materials consumed - Total</b>	<b>923.20</b>	<b>1,439.72</b>
<b>23. Changes in inventories of finished goods and work- in-progress</b>		
<b>Closing inventories</b>		
Finished goods	1,060.04	1,128.14
Saleable waste	16.07	24.51
Work-in-progress	71.99	71.82
Stock-in-trade		-
	<hr/>	<hr/>
	1,148.11	1,224.47
<b>Opening inventories</b>		
Finished goods	1,128.14	1,243.39
Saleable waste	24.51	25.95
Work-in-progress	71.82	18.59
Stock-in-trade		-
	<hr/>	<hr/>
	1,224.47	1,287.93
<u>(-) Increase/ decrease in inventories of finished goods and work-in- progress</u>		
Finished goods	68.10	115.25

Saleable waste	8.44	1.44
Work-in-progress	(0.17)	(53.23)
Stock-in-trade		-
<b>Changes in inventories of finished goods and work-in-progress - total</b>	<u>76.37</u>	<u>63.46</u>

**24. Employee benefits expense**

Salaries and wages	387.21	440.02
Contribution to provident fund and other funds	6.64	10.03
Gratuity expense	10.28	10.98
Staff welfare expenses	3.09	1.10
Bonus	17.47	15.77
Compensated Absences	12.58	11.58
<b>Total</b>	<u>437.27</u>	<u>489.48</u>

**25. Finance costs**

Interest	50.66	10.94
Interest on Preference Shares	111.41	97.52
NPV of Interest on Unsecured Loans	7.92	6.95
Bank Charges	0.01	0.10
Processing Charges	0.10	1.00
<b>Total</b>	<u>170.10</u>	<u>116.51</u>

**26. Depreciation Expense**

Depreciation on property, plant and equipment (refer note no. 3)	130.21	156.30
Depreciation of Right of use assets (refer note no. 3A)	0.10	0.11
<b>Total</b>	<u>130.31</u>	<u>156.41</u>

**27. Other expenses**

**Manufacturing Expenses**

Power & Electricity	226.82	270.25
---------------------	--------	--------

Fuel Consumed	2.52	7.72
Oil & Lubricants	5.18	18.51
Store & Spares Consumed	46.80	46.75
Freight & Cartage Inwards	1.60	0.43
Lease Rent Machinery	-	1.00
Machinery Repair	40.07	54.15
	<u>322.99</u>	<u>398.81</u>
<b>Administrative Expenses</b>		
Remuneration of Auditors		
(a) As Auditor	2.00	2.00
Board Meeting Expenses	0.52	0.30
Computer Repair & Expenses	0.10	0.04
Fees Subscription & Taxes	26.71	16.14
Festival/ Worship Expenses	0.06	0.05
General & Miscellaneous Expenses	0.02	0.02
Insurance Expenses	2.15	3.24
Legal & professional Expenses	35.41	35.28
Loss on sale of Assets	-	2.24
Printing & Stationary Expenses	2.55	1.60
Rent Expenses	1.32	1.32
Repair & Maintenance	2.06	22.50
Telephone, Fax, Internet & Postage Expenses	1.69	0.92
Travelling Expenses	0.17	1.24
Vehicle Running & Maintenance	8.57	10.15
	<u>83.33</u>	<u>97.04</u>
<b>Selling Expenses</b>		
Advertisement Expenses	1.19	0.60
Freight & Cartage Outwards	17.79	16.50
Packing & Handling Expenses	0.58	0.93
	<u>19.56</u>	<u>18.03</u>
<b>Total</b>	<u>425.89</u>	<u>513.88</u>

Rudra Ecovation Limited  
(Formerly Himachal Fibres Limited)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2024

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Note No.	Description of assets	Gross carrying amount			Depreciation				Net carrying amount		
		As at 01.04.2023	Additions during the period	Disposal 31.03.2024	As at 31.03.2024	Opening accumulated depreciation	Depreciated on for the year	Eliminated on disposal of assets	Closing accumulated depreciation	As at 31.03.2024	As at 31.03.2023
3	<b>Property, plant and equipment At Works</b>										
	Freehold Land	0.82	-	-	0.82	-	-	-	-	0.82	0.82
	<b>Total</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>0.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.82</b>	<b>0.82</b>
	Buildings	1,304.75	-	-	1,304.75	772.67	32.53	-	805.20	499.54	532.07
	Plant and equipment	3,760.37	87.40	-	3,847.77	3,112.84	97.39	-	3,210.24	637.53	647.53
	Furniture and fixtures	18.48	0.18	-	18.65	18.13	0.03	-	18.16	0.49	0.35
	Vehicles	35.69	-	-	35.69	34.43	-	-	34.43	1.26	1.26
	Office equipments	6.29	-	-	6.29	5.98	-	-	5.98	0.31	0.31
	Computers	9.24	-	-	9.24	8.78	-	-	8.78	0.46	0.46
	Mobile Phones	0.35	-	-	0.35	0.33	-	-	0.33	0.02	0.02
	Electrical Fittings	5.81	2.58	-	8.39	5.52	0.06	-	5.58	2.81	0.29
	Weighing Machines	0.85	-	-	0.85	0.53	0.06	-	0.59	0.27	0.32
	Tubewell	3.25	-	-	3.25	3.09	-	-	3.09	0.16	0.16
	<b>At Ludhiana Office</b>										
	Office equipments	0.43	-	-	0.43	0.40	-	-	0.40	0.02	0.02
	Computers	5.80	-	-	5.80	5.51	-	-	5.51	0.29	0.29
	Mobile Phones	1.49	-	-	1.49	1.15	0.14	-	1.28	0.21	0.35
	<b>Total</b>	<b>5,153.63</b>	<b>90.15</b>	<b>-</b>	<b>5,243.78</b>	<b>3,969.37</b>	<b>130.21</b>	<b>-</b>	<b>4,099.58</b>	<b>1,144.20</b>	<b>1,184.26</b>
	<b>Previous Year</b>	<b>5484.93</b>	<b>0.00</b>	<b>331.30</b>	<b>5153.63</b>	<b>4065.63</b>	<b>156.30</b>	<b>252.56</b>	<b>3969.37</b>	<b>1184.26</b>	<b>1419.30</b>



**Rudra Ecovation Limited**  
(Formerly Himachal Fibres Limited)

**28. Ratios**

S.No.	Particulars	31st March 2024	31st March 2023	Variance	Remarks
(a)	Current Ratio (Current Assets/Current Liabilities)	2.99	0.94	218.59%	Due to buildup of current assets
(b)	Debt – Equity Ratio (Total Debt/Shareholder's Equity)	0.07	0.14	-47.69%	Increase in Shareholders fund and repayment of debt
(c)	Debt Service Coverage Ratio (Earnings available for debt services/Debt Service)	0.02	0.70	-96.51%	due to poor cash flows
(d)	Return on Equity (ROE) (Net Profit/Shareholders's Equity)	-1.93%	13.86%	-15.78%	--
(e)	Inventory Turnover Ratio (Cost of Goods Sold/Average Inventory)	1.13	1.45	-22.19%	--
(f)	Trade receivables turnover ratio (Revenue from Operations/Average Trade Receivable)	1.67	1.56	6.78%	--
(g)	Trade payables turnover ratio (Purchases/Average Trade Payables)	17.67	29.72	-40.54%	Due to lower Purchases
(h)	Net capital turnover ratio (Total Income/Shareholder's Equity)	0.74	1.25	-40.78%	Due to increase in Shareholder's equity
(i)	Net profit ratio (Net Profit/Total Income)	-2.61%	11.12%	-13.73%	--
(j)	Return on capital employed (ROCE) (Earnings before Interest and Taxes/Capital Employed)	1.75%	4.13%	-2.38%	--
(k)	Return on Investment(ROI) (Income generated from investments/weighted average investments)	NA	NA		

**29. Contingent liability not provided for:**

(Rupees in Lakhs)

Particulars	As At 31.03.2024	As At 31.03.2023
Entry Tax with H.P.Excise and Taxation Deptt.	70.80	70.80
Processing Fees of Dy.Director of Industries, Solan	241.83	229.75
<b>Total</b>	<b>312.63</b>	<b>300.55</b>

**30.** The Company has not paid/provided the managerial remuneration during the year under review. (Previous Year NIL)

**31.** The earnings per share (EPS) disclosed in the profit and loss account have been calculated as under:-

(Rupees in Lakhs)

S.No.	Particulars	As At 31.03.2024	As At 31.03.2023
<b>A.</b>	<b>Basic Earning Per Share</b>		
i	Profit/(Loss) attributable to equity shareholders	(64.05)	293.03
	Less: Preference Dividend for the year	0.00	0.00
	Earnings Attributable to Equity shareholders	(64.05)	293.03
ii	Weighted average number of equity shares (Nos) Basic	86250000	86250000
iii	<b>Basic Earning per shares</b>	(0.07)	0.33
<b>B.</b>	<b>Diluted earning per share</b>		
i	Earnings Attributable to Equity shareholders	(64.04)	293.03
ii	<b>Weighted average number of equity shares for (diluted)</b>		
	--Weighted average number of equity shares (Nos) Basic	86250000	86250000
	--Dilution of equity	5942623	0
	<b>Weighted average number of equity shares (diluted) for the year</b>	<b>92192623</b>	<b>86250000</b>
iii	Diluted earnings per share	(0.07)	0.33

### 32. Deferred Taxation

The disclosure requirements as per the Indian Accounting Standard (Ind AS 12 Income Taxes) is as under:-

Net Deferred Tax Asset as on 31<sup>st</sup> March, 2024 has been recognized by applying the tax rate applicable for the current financial year as under:-

(Rupees in Lakhs)

Sr. No.	Particulars	Deferred Tax	
		Debit	Credit
1.	Deferred Tax Assets as on 01.04.2023	182.76	--
2.	Deferred Tax Income recognized during the year due to timing difference between depreciation as per Income Tax Act, 1961 & as per books of account for the year 2023-24	51.59	--
3.	Net Deferred Tax Assets as on 31.03.2024	234.35	--

33. (i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

#### A. Enterprises under the common control as the company :

- Shiva Textfabs Ltd.
- Shiva Specialty Yarns Ltd
- Yogindera Worsted Ltd
- Shiva Spinfabs Ltd
- Shiva Cottex Pvt. Ltd
- Shiva Texchem (Gujrat) Pvt. Ltd.
- Jai Guru Ji Food Processors Pvt. Ltd

(w.e.f dated 23.11.2023)

#### B. Key Management Persons

- Mr. Gian Chand Thakur (Whole Time Director)
- Mr. Manoj Kumar (Non-Executive Director)
- Mr. Akhil Malhotra (Non-Executive Director) 23.11.2023
- Mr. B.S.Goyal (Non-Executive Independent Director)23.11.2023
- Ms. Malkeet Kaur (Independent Director)
- Mr. Surjit Singh (Independent Director)
- Mr. Sebastian Joseph (CFO)
- Ms.Nancy Singla (Company Secretary joined on 05.01.2024) (Mr.Nitin Kanwar-Resigned on 21.12.2023)

- (ii) Disclosure of transactions between the company and related parties during the year and outstanding balances as on March 31, 2024.

(Rupees in Lakhs)

Particulars	Enterprises that are under common control as the company		Key management personnel	
	As At 31.03.2024	As At 31.03.2023	As At 31.03.2024	As At 31.03.2023
Director Sitting fees	--	--	0.30	0.30
Remuneration	--	--	0.00	0.00
Sales*	405.33	-	-	-
Purchase*	535.44	-	-	-

\* Since the parties has become related parties wef 23.11.2023, therefore sales and purchases transaction shown above are between the period from 23.11.2023 to 31.03.2024.

**34.** In the opinion of the management, all current assets, loan and advances their value if realized in the ordinary course of business, at least to the amount at which they are stated except expressly stated otherwise.

**35.** Balance of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation and reconciliation.

**36. Other Regulatory Information**

- (i) The Company does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property
- (ii) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year under review.
- (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) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The following charges are no satisfied beyond the Statutory Period and reasons detailed as follows

Charge Id	Charge holder's name	Date of Creation/ Modification	Amount (Rs.in Lakhs)	Remarks
80036826	The Industrial Credit And Investment Corp of India Ltd	16-MAR-1989	9.00	These are the Redundant Charges which could not be got satisfied. The company is in continuous following Ex Banks/Financial Institutions to get the "No Due Certificate".

(x) The Company does not have any immovable property whose title deeds are not held in the name of the Company.

(xi) As per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016, the Company is not a Core Investment Company (CIC) and the group does not have any CIC.

(xii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**37.** During the year under review, the company have issued and allotted 1,50,00,000 convertible warrants at a price of Rs.10/- per warrant to the non-promoters on preferential basis with a right to the warrant holders to apply for and be allotted 1 fully paid up equity share of the company of face value of Rs. 1/- each at a premium of Rs. 9/- per share for each warrant within a period of 18 months from the date of allotment of warrants.

**38.** The Company has made assessment of the inventories carried during the year under review on the basis its nature and ageing. On the basis of its assessment the company has identified inventories amounting to Rs.975.27 Lacs as slow moving inventories and segregated it under the head " Other non current assets" in the Statement of Assets & Liabilities as at 31st March 2024.

**39. Leases:**

**(i) Leases as Lessee**

The company has long term lease contract for factory land situated plot no.43-44, Industrial area Barotiwala District Solan which has lease term for 99 years. Generally, The Company's obligations under its lease are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets.

The company also has certain leases of office premises and machinery and equipment with lease term of 12 months or less. The company applies the short term lease recognition exemptions for these leases.

Leases as lessee Right-of-use assets related to leased properties that do not meet the definition of investment property:

Particulars	(Rupees in Lakhs)	
	2023-24	2022-23
	Leasehold Land	Leasehold Land
Opening Balance	6.07	6.18
Depreciation expenses of right-of-use assets	0.10	0.11
Closing Balance	5.97	6.07

The following are the amounts recognized in statement of profit and loss:

Particulars	(Rupees in Lakhs)	
	2023-24	2022-23
Depreciation expenses of right-of-use assets	0.10	0.11
Expenses relating to short term leases (included in other expenses)	1.32	2.32
<b>Total</b>	<b>1.42</b>	<b>2.43</b>

Payments associated with short term leases are recognized on a straight line basis as an expense in statement of profit and loss. Short term leases are leases with a lease term of 12 months or less.

40. There are cheques amounting to Rs.10.00 Lacs issued in FY 2018-19 which are not yet cleared from the bank accounts of the company as on 31.03.2024 are shown under the other current liabilities at Note no.18.

41. **Payment to Auditors:-**

(Rupees in Lakhs)

Particulars	As At 31.03.2024	As At 31.03.2023
Audit Fees	1.00	1.00
Tax Audit Fees	1.00	1.00
<b>Total</b>	<b>2.00</b>	<b>2.00</b>

42. The company is operating in single segment i.e Textiles i.e. Knitted Fabric and Blended Yarn. Hence segment reporting as required under INDAS108 (Operating Segments) is not applicable.

43. **Major Customers**

Detail of the Major Customers where sales of the company are more than 10% of the turnover of the company is as below:-

(Rupees in Lakhs)

Name	FY 2024	FY 2023
Shiva Textfabs Ltd	642.99	1109.34
Vinayak International	1175.93	1548.27

Note: Sale figures are net of GST.

44. **Dues to Micro And Small Enterprises - As Per Micro, Small And Medium Enterprises Development Act, 2006 ('MSMED' ACT)**

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Rupees in Lakhs)

S. No.	Particulars	31 March 2024	31 March 2023
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year;		
	- Principal amount	31.82	24.06
	- Interest thereon	Nil	Nil

ii)	the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii)	the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	Nil	Nil
iv)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil	Nil
v)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil

45. The summarized position of Post-Employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Indian Accounting Standard (Ind AS 19 Employee Benefits) are as under:

**a. Gratuity**

The principal assumptions used in actuarial valuation of gratuity are as below:

**i) Economic Assumptions**

	<b>31/03/2024</b>	<b>31/03/2023</b>
i) Discounting Rate	7.25	7.40
ii) Future salary Increase	5.00	5.00
iii) Expected Rate of return on plan assets	0.00	0.00

**ii) Demographic Assumption**

i) Retirement Age (Years)	58	58
ii) Mortality Table	IALM (2012-14)	
iii) Ages	<b>Withdrawal Rate (%)</b>	
Up to 30 Years	5.00	5.00
From 31 to 44 years	5.00	5.00
Above 44 years	5.00	5.00

**iii) Actuarial Value(Rupees in Lakhs)**

	<b>Assets / Liability</b>	<b>31/03/2024</b>	<b>31/03/2023</b>
A	Present value of obligation	18.65	18.93
B	Fair value of plan assets	--	--
C	Net assets / (liability) recognized in balance sheet as provision	(18.65)	(18.93)

**iv) Bifurcation of PBO at the end of year as per revised schedule VI to the companies Act.**

(Rupees in Lakhs)

		<b>31/03/2024</b>	<b>31/03/2023</b>
a)	Current liability (Amount due within one year)	1.99	0.27
b)	Non-Current liability (Amount due over one year)	16.67	18.66
c)	<b>Total PBO at the end of year</b>	<b>18.65</b>	<b>18.93</b>

**b. Provident Fund**

During the year the company has recognized an expense of Rs. 4.09 Lakhs (Previous Year Rs. 6.54Lakhs) towards provident fund scheme.

**c. Leave Encashment and Bonus**

During the year the company has recognized an expense of Leave Encashment and Bonus for Rs. 12.58 Lakhs and Rs. 17.47 Lakhs respectively (Previous Year 11.58 Lakhs and Rs. 15.77 Lakhs respectively)

**46.** The Ministry of Corporate Affairs introduced Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, which requires the Company to have a feature of recording audit trail (edit log) facility for its accounting softwares used for maintaining its books of account and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. The Company is in process of enabling the audit trail (edit log) feature for its accounting softwares. The Company will also ensure that audit trail (edit log) once enabled can not be changed.

**47.** The figures of the previous year have been rearranged/ regrouped, wherever necessary to facilitate comparison.

**For Manjul Mittal & Associates  
Chartered Accountants  
Firm Reg.No.028039N**

**For and on behalf of the Board of Directors of  
Rudra Ecovation Limited**

**Manjul Mittal  
Partner  
M.NO. 500559**

**Manoj Kumar  
(Director)  
DIN: 06872575**

**Gian Chand Thakur  
(Whole Time Director)  
DIN:07006447**

**Dated: 25.05.2024  
Place: Ludhiana**

**Nancy Singla  
(Company Secretary)**

**Sebastian Joseph  
(CFO)**



**Rudra Ecovation Ltd.**  
**(Formerly Himachal Fibres Ltd.)**

[www.rudraecovation.com](http://www.rudraecovation.com)