



VALSON INDUSTRIES LTD.

MANUFACTURER OF ART SILK SYNTHETIC YARN

AN ISO 9001 CERTIFIED COMPANY

CIN No. : L17110MH1983PLC030117

Date: 23rd August, 2024

To,
The Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 530459

**SUB: Valson Industries Limited - Annual Report for the Financial Year 2023 – 24 and
Notice convening the 40th Annual General Meeting**

Dear Sir,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2023 – 24 along with the Notice convening the 40th Annual General Meeting scheduled to be held on Saturday, 21st September, 2024 at 11.30 a.m. (IST) through Video Conferencing / Other Audio Visual Means in accordance with the General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020 and General Circular No. 9/2023 dated 25th September, 2023 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI.

Kindly take the above information on record.

Yours Faithfully,
FOR VALSON INDUSTRIES LIMITED


PRITESH SHAH
COMPLIANCE OFFICER





VALSON INDUSTRIES LIMITED

CIN: L17110MH1983PLC030117

**40TH ANNUAL REPORT
2023 – 2024**

MISSION STATEMENT

VALSON INDUSTRIES LIMITED, A CUSTOMER DRIVEN COMPANY, will continuously improve upon the services rendered to customers, Meet customers' needs in the shortest lead time, Introduce new range of shades by Continuous Colour Innovation, Bolster R & D activities to develop Newer Application areas for its products and will continue to enjoy privileged status as a **Preferred Supplier**.

Valson Industries Limited, **A SHAREHOLDER DRIVEN COMPANY,** will remain focused in the areas of its Core Competency, Emphasis on the quality of business rather than the size of the business, Maintain Profit related Growth Policy, Implement Corporate Governance, Regard Shareholder's wealth creation to be the key driver of all actions and policies of the Company and its people.

Valson Industries Limited, **A BRAND DRIVEN COMPANY,** will maintain and improve upon **VALSON** Brand name and will create **VALSON** Brand awareness in International Markets through export of Quality Products.

Valson Industries Limited, A PEOPLE DRIVEN COMPANY, will Train, Empower and create a superior pool of intellect, capable of leading its Innovation Drive. Valson Industries Limited, AN ENVIRONMENT FRIENDLY COMPANY, will continue to adhere to environment friendly manufacturing process and set new standards in fighting pollution.



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Suresh Mutreja, Chairman & Mg. Director
Mr. Kunal Mutreja, Director – CEO
Mr. Varun Mutreja, Director – CFO
Mr. Ankit Mutreja, Whole Time Director
Ms. Ratika Gupta, Independent Director
Mr. Dheeraj Suri, Independent Director
Mr. Nischal Agrawal, Independent Director
Mr. Amit Singh, Independent Director

AUDIT COMMITTEE

Mr. Nischal Agrawal, Chairman
Ms. Ratika Gupta
Mr. Amit Singh
Mr. Varun Mutreja

NOMINATION AND REMUNERATION COMMITTEE

Mr. Amit Singh, *Chairman*
Mr. Dheeraj Suri
Mr. Nischal Agrawal

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Dheeraj Suri, *Chairman*
Ms. Ratika Gupta
Mr. Varun Mutreja

Company Secretary:

Ms. Neeti Alwani

AUDITORS:

Statutory Auditors:

M/s. Bastawala And Associates,
Chartered Accountants

Secretarial Auditors:

M/s. P. C. Shah & Co.,
Practicing Company Secretaries

BANKERS

Kotak Mahindra Bank
HDFC Bank

CONTENTS

Notice	2
Board's Report.....	17
Management Discussion and Analysis Report	27
Secretarial Audit Report.....	35
Corporate Governance Report	37
Auditor's Report.....	59
Balance Sheet	68
Statement of Profit and Loss	69
Cash Flow Statement	70
Notes to Accounts.....	71
Financial Performance Highlights.....	100

REGISTERED OFFICE

28, Bldg. No. 6, Mittal Industrial Estate,
Sir M. V. Road, Andheri (East),
Mumbai – 400 059.

Tel No.: 022 4066 1000 Fax No.: 022 40661199

Email Id: pritesh@valsonindia.com
cs@valsonindia.com

Website: www.valsonindia.com

MANUFACTURING UNIT AT

Vapi, Gujarat
Silli, UT of Dadra & Nagar Haveli

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.

C – 101, Embassy 247,

L. B. S. Marg, Vikhroli (West),

Mumbai: 400 083.

Tel No: (0) 810 811 6767;

Toll-free number: 1800 1020 878

Email: rnt.helpdesk@linkintime.co.in

40TH ANNUAL GENERAL MEETING

On Saturday, 21st September, 2024 at 11.30 a.m
through video conference

NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of the members of **VALSON INDUSTRIES LIMITED** will be held on **Saturday, 21st September, 2024 at 11.30 a.m** through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Annual Financial Statements of the Company for the financial year ended 31st March, 2024 and the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Kunal Mutreja (DIN: 07022857), who retires by rotation and being eligible, offers himself for re-appointment.

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

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 1,00,000 (Rupees One Lakh Only) plus taxes as applicable and re-imbursment of out of pocket expenses incurred during the course of Audit to M/s. ABK & Associates., Cost Accountants (Firm Registration No: 000036), who have been appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025, be and is hereby ratified.

RESOLVED FURTHER THAT Mr. Suresh Mutreja, Chairman and Managing Director or any other Director of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

4. To re-appoint Mr. Suresh Mutreja as Chairman and Managing Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and in terms of Regulation 17 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any other statutory modification(s) or re-enactment(s) thereof], and such other approval(s), consent(s) or permission(s), as may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Suresh Mutreja (DIN: 00052046) as Chairman and Managing Director of the Company for a term of 3 (three) years commencing from 1st July, 2024 up to 30th June, 2027 on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to this Notice and with liberty to the Board of Directors (hereinafter referred to as “the Board”) which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter, modify or revise from time to time, the terms and conditions of the said re-appointment and/or remuneration, in such manner as may be agreed to between the Board and Mr. Suresh Mutreja.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Suresh Mutreja will be paid the salary and perquisites as stated in the Explanatory Statement as minimum remuneration in accordance with Part II of Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

5. To re-appoint Mr. Varun Mutreja as Whole Time Director and Chief Financial Officer of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time and in terms of Regulation 17 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any other statutory modification(s) or re-enactment(s) thereof], and such other approval(s), consent(s) or permission(s), as



may be required, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Varun Mutreja (DIN: 07022832) as Whole Time Director and Chief Financial Officer of the Company for a term of 3 (three) years commencing from 14th November, 2024 up to 13th November, 2027 on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to this Notice and with liberty to the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter, modify or revise from time to time, the terms and conditions of the said re-appointment and/or remuneration, in such manner as may be agreed to between the Board and Mr. Varun Mutreja.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Varun Mutreja will be paid the salary and perquisites as stated in the Explanatory Statement as minimum remuneration in accordance with Part II of Schedule V of the the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

NOTES:

General Instructions for Accessing and participating in the 40th Annual General Meeting (AGM) through VC / OAVM Facility and Voting through Electronic means including Remote E- Voting.

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to item no. 3 to 5 of the notice of 40th Annual General Meeting is annexed hereto.
2. Pursuant to the General Circulars 9/2023 dated 25th September, 2023, other circulars issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI bearing reference SEBI/HO/DDHS/P/CIR/2023/0164 dated 6th October, 2023 (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
3. **ONLY A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE AGM THROUGH VC / OAVM.** In terms of provisions of Section 105 of the Companies Act, 2013, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. The Company has appointed M/s. National Securities Depository Limited (NSDL) to provide Video Conferencing facility for the AGM and the attendant enablers for conducting of the AGM. The proceedings of the AGM will be web-casted live for all the shareholders who hold shares as on cut-off date i.e. Friday, September 13, 2024. The shareholders can visit <https://www.evoting.nsd.com/> and login through user id and password to watch the live proceedings of the AGM on Saturday, September 21, 2024 from 11.30 a.m. onwards. Further, the Company has also appointed NSDL as an authorized e-voting agency for facilitating members to vote on all the resolutions proposed in the Notice of AGM through electronic means. Members will have the option to cast their votes either 3 days prior to the date of AGM (Remote E-Voting) or during the AGM (E-Voting). The instructions to vote by remote e-voting and e-voting has been provided below.
5. The members can join the AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility to join the AGM will be made available for 1,000 members on first come first serve basis. This will not include Large 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 AGM without restriction on account of first come first serve basis.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
7. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed on all days from Saturday, September 14, 2024 to Saturday, September 21, 2024 (both days inclusive).
8. The attendance of the Members attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. The scanned copies of Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the Members through electronic mode, basis on the request being sent to the email address of Ms. Neeti Alwani, Company Secretary and Compliance Officer at cs@valsonindia.com or to Mr. Pritesh Shah, Vice President – Finance and Compliance Officer at pritesh@valsonindia.com.
11. Members desiring any relevant information about the financial statements and/or operations of the Company are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready. Members can also email their queries at the email address of Ms. Neeti Alwani, Company Secretary and Compliance Officer at cs@valsonindia.com or to Mr. Pritesh Shah, Vice President – Finance and Compliance Officer at pritesh@valsonindia.com.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2023 – 24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://valsonindia.com/notice>. The Notice of the AGM along with the Annual Report 2023 – 24 can also be accessed from the website of the Stock Exchange i.e. BSE Limited at <https://www.bseindia.com/stock-share-price/valson-industries-ltd/valsonq/530459/financials-annual-reports/> or will be made available if a request is sent to Ms. Neeti Alwani, Company Secretary and Compliance Officer at cs@valsonindia.com or to Mr. Pritesh Shah, Vice President – Finance and Compliance Officer at pritesh@valsonindia.com. The Notice of AGM is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.
13. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective Depository Participant, and members holding shares in physical mode are requested to update their email addresses with the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited so that they can receive Annual Reports and any other communication by the Company from time to time in electronic mode. Members may follow the process detailed below for updating bank account details and registration of email ID to obtain the annual reports and communication from time to time.

❖ **Physical Shareholders:**

For availing the following investor services, send a written request in the prescribed forms to the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited either by email at rnt.helpdesk@linkintime.co.in or by post to C – 101, Embassy 247, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083.

Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR – 1
Update of signature of securities holder	Form ISR – 2
For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH – 13
Declaration to opt out	Form ISR – 3
Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH – 14
Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR – 4

❖ **Demat Shareholders:**

Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.

This will enable them to receive communication by the Company from time to time in electronic form. Members of the Company, who have registered their e-mail address, are entitled to receive such communications in physical form upon request.

14. **SEBI has mandated the submission of PAN, KYC details, bank account details, specimen signature and nomination by holders of physical securities and linking PAN with Aadhaar vide its circulars dated 3rd November, 2021, 14th December, 2021 and 16th March, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in.**

Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s).



15. In terms of Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 dated June 08, 2023 issued by the Securities and Exchange Board of India (SEBI) titled Online processing of investor service requests and complaints by RTAs, M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent has launched an Investor Self-Service Portal known as 'SWAYAM'. 'SWAYAM' is a secure, user-friendly web-based application, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal. This application can be accessed at <https://swayam.linkintime.co.in>. Following are the features of SWAYAM:
- o Effective Resolution of Service Request -Generate and Track Service Requests/Complaints through SWAYAM.
 - o Features - A user-friendly GUI.
 - o Track Corporate Actions like Dividend/Interest/Bonus/split.
 - o PAN-based investments - Provides access to PAN linked accounts, Company wise holdings and security valuations.
 - o Effortlessly Raise request for Unpaid Amounts.
 - o Self-service portal – for securities held in demat mode and physical securities, whose folios are KYC compliant.
 - o Statements - View entire holdings and status of corporate benefits.
 - o Two-factor authentication (2FA) at Login - Enhances security for investors.
16. As per Regulation 40 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended, securities of listed companies can only be transferred in demat form. In view of this and to eliminate risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or its Registrar and Share Transfer Agent for the same.
17. Under the Act, dividends that are unclaimed / unpaid for a period of seven (7) years from the date of their transfer are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. An amount of Rs. 74,544 being unclaimed / unpaid dividend of the Company for the financial year ended 31st March, 2016 was transferred to IEPF. The last date for claiming unclaimed and unpaid dividends declared by the Company for the financial year ended 31st March, 2017 and thereafter is as under:

Financial Year	Date of Declaration of Divided	Last Date of Claiming Unpaid Dividend
Final Dividend 2016 – 2017	05.08.2017	09.09.2024
Final Dividend 2017 – 2018	29.09.2018	03.11.2025
Final Dividend 2018 – 2019	30.09.2019	04.11.2026

Members who have not encashed their dividend warrants so far in respect of the aforesaid periods, are requested to make their claims to M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company (RTA) or the Compliance Officer of the Company, at the Company's Registered Office, well in advance of the above due dates.

Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2024 on the website of the Company (www.valsonindia.com) and also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

Further, pursuant to the provisions of Section 124 of the Act, read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF Authority as notified by the Ministry of Corporate Affairs.

In accordance with the IEPF Rules, the Company has sent notices to all the Shareholders whose shares are due for transfer to the IEPF Authority and has also published the details thereof in notices published in newspapers. Further, shares of those shareholders who have not claimed dividends for seven (7) consecutive years or more have been transferred to IEPF.

The shareholders whose dividend / shares is / will be transferred to the IEPF Authority may claim the shares or apply for refund of dividend by making an application to the IEPF Authority by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF Authority at <http://www.iepf.gov.in/IEPF/refund.html>.

18. Information about additional details of the Directors along with their brief profile who are seeking re-appointment as set out at Item Nos. 2, 4 and 5 of the Notice dated 29th May, 2024 as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended and the Secretarial Standards on General Meetings (SS – 2) issued by the Institute of Company Secretaries of India ('ICSI') is given below:

	Seeks re-appointment at Item No. 2 of the Notice	Seeks re-appointment at Item No. 4 of the Notice	Seeks re-appointment at Item No. 5 of the Notice
Name of the Director	Mr. Kunal Mutreja	Mr. Suresh Mutreja	Mr. Varun Mutreja
Director Identification Number (DIN)	07022857	00052046	07022832
Date of Birth	11 th March, 1981	15 th July, 1957	16 th September, 1984
Nationality	Indian	Indian	Indian
Date of first appointment on Board	27 th May, 2017	26 th June, 1983	14 th November, 2014
Qualification	B. Com	B. Com	MBA in Finance
Shareholding in Valson Industries Limited	9,00,999 equity shares	16,79,500 equity shares	3,62,200 equity shares
In case of Non-Executive Director the shareholding including shareholding as Beneficial Owner.	N.A.	N.A.	N.A.
Expertise in specific functional areas	Managing Textile business since last 17 years. Expertise in production.	Industrialist in textile business since last 47 years; Expertise in production and marketing;	Export, Finance and Marketing
Terms and Conditions of re-appointment	Re-appointment after retiring by rotation; On re-appointment, he will assume office on same terms as previously approved by members in 38 th AGM held on 3 rd September, 2022	Re-appointment as Chairman and Managing Director for a term of 3 years w.e.f. 1 st July, 2024 up to 30 th June, 2027 (Refer Item No. 4 of the Notice and Explanatory Statement)	Re-appointment as Whole Time Director and Chief Financial Officer for a term of 3 years w.e.f. 14 th November, 2024 up to 13 th November, 2027 (Refer Item No. 5 of the Notice and Explanatory Statement)
Remuneration last drawn (including sitting fees, commission if any)	Rs. 29.45 Lakhs per annum	Rs 53.54 Lakhs per annum	Rs. 29.45 Lakhs per annum
Remuneration proposed to be paid	N.A. – Seeking re-appointment after retiring by rotation; hence no change in terms	Refer Item No. 4 of the Notice and Explanatory Statement	Refer Item No. 5 of the Notice and Explanatory Statement
Relationships with other Director / Key Managerial Personnel	Son of Mr. Suresh Mutreja and Brother of Mr. Varun Mutreja and Mr. Ankit Mutreja.	Father of Mr. Kunal Mutreja, Mr. Varun Mutreja and Mr. Ankit Mutreja.	Son of Mr. Suresh Mutreja and Brother of Mr. Kunal Mutreja and Mr. Ankit Mutreja
Number of meetings of the board attended during the financial year (2023-24)	5	5	5
Directorships in other Public Limited Companies along with listed entities from which the person has resigned in the past three years.	Nil	Nil	Nil
Memberships of Committees in other Public Limited Companies (includes only Audit & Shareholders / Investors Grievances Committee).	Nil	Nil	Nil
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	N.A.	N.A.	N.A.

19. As the 40th AGM is being held through VC, Route Map is not annexed to the notice.



THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Wednesday, September 18, 2024 at 9:00 A.M. and ends on Friday, September 20, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 13, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 13, 2024.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system:

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated 9th December, 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 address in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 10px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 40px; margin-top: 10px;">   </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited ('CDSL')	<ol style="list-style-type: none"> Users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users can login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login of Easi / Easiest, the user will be also able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting 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. Additionally, there are 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. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also be able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

Your User ID is:

- a. For Members who hold shares in demat account with NSDL.
8 Character DP ID followed by 8 Digit Client ID
For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
- b. For Members who hold shares in demat account with CDSL.
16 Digit Beneficiary ID
For example, if your Beneficiary ID is 12***** then your user ID is 12*****
- c. For Members holding shares in Physical Form.
EVEN Number followed by Folio Number registered with the Company
For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email address is not registered, please follow steps mentioned below in **process for those shareholders whose email addresses are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is active.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcshahandco@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsd.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager – NSDL or Mr. Amit Vishal, Deputy Vice President – NSDL at evoting@nsdl.com or contact at NSDL, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members, who will be present in the AGM 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 in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Members who would like to express their views or ask questions during the e-AGM may register themselves as a speaker by sending a request from their registered email address mentioning their name, DPID and CLID / Folio number, mobile number at cs@valsonindia.com or pritesh@valsonindia.com. Those shareholders who have registered themselves as a speaker latest by 11:30 a.m. on 19th September, 2024 will only be allowed to express their views or ask questions during the e-AGM.



Other Notes:

1. A person whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, Friday, 13th September, 2024 shall only be entitled to remote e-Voting and attend the e-AGM. The voting rights shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A Member joining the AGM who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-Voting at the AGM. A Member who have cast their vote by remote e-Voting prior to the AGM, may also join the AGM but shall not be entitled to cast their vote again.
2. Any person, who acquires share(s) of the Company and becomes member of the Company after dispatch of the notice of AGM and holding share(s) as on the cut-off date, Friday, 13th September, 2024, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.
3. The Board of Directors has appointed M/s. P. C. Shah & Co., Practicing Company Secretaries as a scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
4. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and then unblock the votes cast through remote e-Voting and shall make a consolidated Scrutinizer's Report. The results of the e-Voting will be declared by the Chairman, or a person authorised by him in writing within 48 hours from the conclusion of the AGM.
5. The results shall be declared not later than 48 hours from conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions. The results declared along with the Scrutinizer's Report will be placed on the website of the Company at www.valsonindia.com and the website of NSDL at www.evoting.nsdl.com within 48 hours from the conclusion of the AGM and the same shall also be simultaneously communicated to BSE Limited and will be available on their website at www.bseindia.com, where the equity shares of the Company are listed and shall be displayed at the registered office of the Company.

The resolutions shall be deemed to be passed on the date of AGM i.e. **September 21, 2024** subject to receipt of sufficient votes.

**By order of the Board
For Valson Industries Limited**

**Suresh Mutreja
Chairman & Managing Director
DIN: 00052046**

**Place: Mumbai
Date: May 29, 2024**

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT**

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3: Ratify the remuneration of Cost Auditors for the financial year ending 31st March, 2025:

The Board of Directors of the Company, on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. ABK & Associates., Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor requires to be ratified by the Members of the Company. Accordingly, ratification of the members is sought as referred to in the resolution at Item No. 3 of the notice for payment of remuneration amounting to Rs. 1,00,000/- (Rupees One Lakh Only) for cost audit plus taxes as applicable and re-imbursment of out-of-pocket expenses payable to the cost auditor for the financial year ending 31st March, 2025.

The Board recommends passing of the Ordinary Resolution as set out in Item No. 4 of this Notice for ratification by the Members.

None of the Directors or key managerial personnel or their relatives are concerned or interested, directly or indirectly, financially or otherwise, in the ordinary resolution.

Item No. 4: Re-appointment of Mr. Suresh Mutreja as Chairman and Managing Director:

The term of Mr. Suresh Mutreja as Managing Director of the Company expired on 30th June, 2024. Thereafter, the Board of Directors on the recommendation by the Nomination and Remuneration Committee ('NRC') at its meeting held on 29th May, 2024, had re-appointed him for a term of 3 years from 1st July, 2024 up to 30th June, 2027 (both days inclusive) on the terms and conditions as specified in this Notice.

Profile & Justification for re-appointment:

Mr. Suresh Mutreja is associated with the Company since its incorporation and is involved in the business affairs of the Company. It is due to his dedication towards work, focused approach and valuable guidance that today the Company is amongst reputed manufacturing of dyed yarns in India. He has always been a leading member of core Senior Management team. He has the business acumen and in-depth knowledge about the industry and overall market scenario. He provides overall guidance and plays key role in Policy making and managing the affairs of the Company.

The terms of the re-appointment and payment of remuneration to Mr. Suresh Mutreja, Chairman and Managing Director including disclosures required as per Schedule V to the Companies Act, 2013 ('the Act') for paying minimum remuneration are as follows:

Name of Director	Designation	Responsibility
Mr. Suresh Mutreja	Chairman and Managing Director	Overall management, administration, production and marketing of the Company

A. REMUNERATION:

Mr. Suresh Mutreja, Chairman and Managing Director will be paid a remuneration of Rs. 4,00,000/- per month. He shall be eligible for yearly increments as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors subject to maximum ceiling of Rs. 5,00,000 per month provided that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the following:

- Ceiling provided in Part II, Para A of Schedule V to the Act based on the effective capital for the respective financial year or
- Such amount such that the total remuneration paid to all Executive Directors does not exceed 10% of net profit of the respective financial year calculated in terms of Section 198 of the Companies Act, 2013, whichever is higher.

B. PERQUISITES:

NON MONETARY CEILING PERQUISITES:

- ❖ The Company's contribution to the Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of Income Tax Act.
- ❖ Gratuity: One half of a month's salary for each completed year of service in accordance with the Rules of the Company
- ❖ Leave Encashment: Leave salary as per the rules of the Company; Encashment of Leave shall be at the end of the tenure.



C. MINIMUM REMUNERATION:

The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the Audited Annual Financial Statements as on 31st March, 2024 and has been fixed as provided in Part II, Para A of Section II of Schedule V to the said Act based on the Effective Capital for the respective financial year. Accordingly, the remuneration of Rs. 4,00,000 per month or such higher remuneration as recommended by Nomination and Remuneration Committee and approved by the Board of Directors shall be paid to him irrespective of whether the Company has loss or inadequate profits. The disclosures required to be made as per the Part II, Section II, Para B (iv) of Schedule V of the Act, are annexed as '**Annexure A**' to this Explanatory Statement.

D. OTHER CONDITIONS:

- i. For all other terms and conditions not specifically mentioned above, the rules and order of the Company shall apply.
- ii. Mr. Suresh Mutreja satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, Mr. Suresh Mutreja has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to directions issued by SEBI dated 14th June, 2018.
- iii. Mr. Suresh Mutreja shall hold office as such, subject to the provisions of Section 164 and 167 of the Companies Act, 2013.
- iv. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to Mr. Suresh Mutreja unless specifically provided otherwise.

Having regard to the qualifications, skills, experience and knowledge, the Board is of the view that the re-appointment of Mr. Suresh Mutreja as the Chairman and Managing Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience.

The Letter of Appointment containing terms and conditions of appointment of Mr. Suresh Mutreja shall be open for inspection by the Members of the Company, without payment of any fees, at the registered office of the Company on all working days except Sundays and Public Holidays, during business hours until the date of AGM. The same along with the above disclosures may be treated as a written memorandum setting out the terms of re-appointment of Mr. Suresh Mutreja under Section 190 of the Companies Act, 2013.

The disclosure of Mr. Suresh Mutreja as per requirements of Regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard ('SS-2') on General Meetings issued by the Institute of Company Secretaries of India are made at note no. 18 of the Notice.

In terms of Section 196 and 197 read with Schedule V of the Act read with Regulation 17 (6) (e) of SEBI Listing Regulations, appointment of Chairman and Managing Director requires approval of the members by special resolution. Further, as per Regulation 17 (1C) of the SEBI Listing Regulations, the approval of the members must be obtained within 3 months of the re-appointment. The Board recommends resolution at item no. 4 of the accompanying Notice for approval of the members.

Further, as per the first proviso to Section 196 (3) of the Act, appointment of Managing Director above the age of 70 years requires approval of the members by special resolution. Mr. Suresh Mutreja will be attaining the age of 70 years in the year 2027. The justification for his appointment has been provided above. The consent of the members by special resolution for his re-appointment at item no. 4 includes the consent in terms of Section 196 (3) of the Act.

Mr. Suresh Mutreja, Mr. Kunal Mutreja, Mr. Varun Mutreja and Mr. Ankit Mutreja together with their relatives are concerned or interested in the resolution set out at item no. 4 of the accompanying notice. None of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, directly or indirectly, financially or otherwise, in the said resolution.

Item No. 4: Re-appointment of Mr. Varun Mutreja as Whole Time Director and Chief Financial Officer:

The term of Mr. Varun Mutreja as Whole Time Director and Chief Financial Officer (CFO) of the Company will expire on 13th November, 2024. The Board of Directors on the recommendation by the Nomination and Remuneration Committee ('NRC') at its meeting held on 29th May, 2024, had re-appointed him for a term of 3 years from 14th November, 2024 up to 13th November, 2027 (both days inclusive) on the terms and conditions as specified in this Notice.

Profile:

Mr. Varun S. Mutreja is associated with the Company since last 20 years and he is looking after Overall Finance, Banking and Accounts of the Company. It is due to his dedication towards work, focused approach and valuable guidance that today the Company has achieve the export upto 18 crore; since last two years. He has always been a leading member of core Senior Management team.

He has the business acumen and in-depth knowledge about the industry and overall finance of the Company. He provides overall guidance and plays key role in Policy making and managing the affairs of the Company.

The terms of the re-appointment and payment of remuneration to Mr. Varun Mutreja, Whole Time Director & Chief Financial Officer including disclosures required as per Schedule V to the Companies Act, 2013 ('the Act') for paying minimum remuneration are as follows:

Name of Director	Designation	Responsibility
Mr. Varun Mutreja	Whole Time Director & Chief Financial Officer	Overall Finance, Banking, Accounts of the Company

A. REMUNERATION:

Mr. Varun Mutreja, Whole Time Director & Chief Financial Officer will be paid a remuneration of Rs. 3,00,000/- per month. He shall be eligible for yearly increments as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors subject to maximum ceiling of Rs. 5,00,000 per month provided that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the following:

- c. Ceiling provided in Part II, Para A of Schedule V to the Act based on the effective capital for the respective financial year or
- d. Such amount such that the total remuneration paid to all Executive Directors does not exceed 10% of net profit of the respective financial year calculated in terms of Section 198 of the Companies Act, 2013, whichever is higher.

B. PERQUISITES:

NON MONETARY CEILING PERQUISITES:

- ❖ The Company's contribution to the Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of Income Tax Act.
- ❖ Gratuity: One half of a month's salary for each completed year of service in accordance with the Rules of the Company
- ❖ Leave Encashment: Leave salary as per the rules of the Company; Encashment of Leave shall be at the end of the tenure.

C. MINIMUM REMUNERATION:

The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the Audited Annual Financial Statements as on 31st March, 2024 and has been fixed as provided in Part II, Para A of Section II of Schedule V to the said Act based on the Effective Capital for the respective financial year. Accordingly, the remuneration of Rs. 3,00,000 per month or such higher remuneration as recommended by Nomination and Remuneration Committee and approved by the Board of Directors shall be paid to him irrespective of whether the Company has loss or inadequate profits. The disclosures required to be made as per the Part II, Section II, Para B (iv) of Schedule V of the Act, are annexed as '**Annexure A**' to this Explanatory Statement.

D. OTHER CONDITIONS:

- v. For all other terms and conditions not specifically mentioned above, the rules and order of the Company shall apply.
- vi. Mr. Varun Mutreja satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, Mr. Varun Mutreja has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to directions issued by SEBI dated 14th June, 2018.
- vii. Mr. Varun Mutreja shall hold office as such, subject to the provisions of Section 164 and 167 of the Companies Act, 2013.
- viii. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to Mr. Varun Mutreja unless specifically provided otherwise.

Having regard to the qualifications, skills, experience and knowledge, the Board is of the view that the re-appointment of Mr. Varun Mutreja as the Whole Time Director and Chief Financial Officer will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience.

The Letter of Appointment containing terms and conditions of appointment of Mr. Varun Mutreja shall be open for inspection by the Members of the Company, without payment of any fees, at the registered office of the Company on all working days except Sundays and Public Holidays, during business hours until the date of AGM. The same along with the above disclosures may be treated as a written memorandum setting out the terms of re-appointment of Mr. Varun Mutreja under Section 190 of the Companies Act, 2013.



The disclosure of Mr. Varun Mutreja as per requirements of Regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard ('SS-2') on General Meetings issued by the Institute of Company Secretaries of India are made at note no. 17 of the Notice.

In terms of Section 196 and 197 read with Schedule V of the Act read with Regulation 17 (6) (e) of SEBI Listing Regulations, appointment of Whole Time Director & Chief Financial Officer requires approval of the members by special resolution. Further, as per Regulation 17 (1C) of the SEBI Listing Regulations, the approval of the members must be obtained within 3 months of the re-appointment. The Board recommends resolution at item no. 5 of the accompanying Notice for approval of the members.

Further, it is hereby clarified that the present term of Mr. Varun Mutreja will expire on 13th November, 2024. As per first proviso to sub-section 2 of Section 196 of the Act, no re-appointment shall be made earlier than one year before the expiry of the term. Accordingly, the re-appointment of Mr. Varun Mutreja is made in accordance with the said sub-section 2 of Section 196 of the Act.

Mr. Suresh Mutreja, Mr. Kunal Mutreja, Mr. Varun Mutreja and Mr. Ankit Mutreja together with their relatives are concerned or interested in the resolution set out at item no. 4 of the accompanying notice. None of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, directly or indirectly, financially or otherwise, in the said resolution.

Annexure 'A'

As per the Part II, Section II, Para B (iv) of Schedule V of the Act, the Company hereby furnishes the following information:

I. GENERAL INFORMATION:

Sr. No	Particulars	Information	
1.	Nature of Industry	Textile Industry	
2.	Date or expected date of commencement of Commercial Production	The Company is manufacturing Texturised and Twisted yarns since 1983.	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4.	Financial performance based on given indications.	31-03-2024 (Rs. in Lakhs)	31-03-2023 (Rs. in Lakhs)
	Total Income	12512.07	13,096.22
	Net Profit before Tax	45.72	35.81
	Net Profit After Tax	98.20	1.80
5.	Foreign investments or collaborators, if any	Not Applicable	

II. INFORMATION ABOUT THE APPOINTEE'S:

Sr. No.	Particulars	Information
1.	Background Details	Mr. Suresh Mutreja and Mr. Varun Mutreja are the promoters of the Company. Mr. Suresh Mutreja is associated since incorporation and Mr. Varun Mutreja is associated since last 20 years; having vast experience in the Textile industry.
2.	Past Remuneration	Mr. Suresh Mutreja: Rs. 4.00 Lakhs per month plus electricity charges and PF Employer's contribution (annual remuneration Rs. 53.54 lakhs). Mr. Varun Mutreja: Rs. 2.25 Lakhs per month plus PF Employer's contribution (annual remuneration Rs. 29.45 Lakhs)
3.	Recognition or Awards	Nil
4.	Job Profile and His Suitability	Brief Profile of Mr. Suresh Mutreja and Mr. Varun Mutreja are given above. They have vast experience in various fields in textile industry as explained in their respective profile.

Sr. No.	Particulars	Information
5.	Remuneration proposed	Mr. Suresh Mutreja: Not exceeding Rs. 4,00,000 per month. Shall be eligible to yearly increments subject to maximum ceiling of Rs. 5,00,000 per month as explained above. Mr. Varun Mutreja: Not exceeding Rs. 3,00,000 per month. Shall be eligible to yearly increments subject to maximum ceiling of Rs. 5,00,000 per month as explained above.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	The proposed remuneration is reasonable considering future growth of the Company.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Mr. Suresh Mutreja is the father of Mr. Kunal Mutreja, Whole Time Director & CEO, Mr. Varun Mutreja, Whole Time Director and CFO and Mr. Ankit Mutreja, Whole Time Director. Mr. Varun Mutreja is the son of Mr. Suresh Mutreja and brother of Mr. Kunal Mutreja, Whole Time Director & CEO and Mr. Ankit Mutreja, Whole Time Director. Mr. Suresh Mutreja, Mr. Kunal Mutreja, Mr. Varun Mutreja and Mr. Ankit Mutreja are promoters of the Company. Mr. Suresh Mutreja holds 16,79,500 equity shares of the Company which is 21.92% of the equity share capital of the Company. Mr. Varun Mutreja holds 3,62,200 equity shares of the Company which is 4.73% of the equity share capital of the Company.

III. OTHER INFORMATION:

Sr. No.	Particulars	Information
1.	Reasons of loss or inadequate profits	The profits were inadequate as per Section 197 of the Companies Act, 2013, due to fluctuation in crude prices as a result of which there is volatility in yarn price; further falling rupee against US dollar, increase in price of coal, shortage of container and sharp rise in freight cost leads to inadequate profits. The trade war in the world has also affected the price realization for dyed yarn.
2.	Steps taken or proposed to be taken for improvement	The Company has installed new machines at Silli and Vapi Units. The Company has introduced new product i.e. Nylon which has lead to increase in top line volume of 10 to 15%. The Company has try to control on man-power cost, power cost, administrative cost and other miscellaneous cost and also worked out the best product mix and improves the utilization of installed capacity which results into the saving.
3.	Expected increase in productivity and profits in measurable terms	The Company is expecting growth in the turnover and profit due to expansion of production capacities and expecting to do good in export turnover in future.

**By order of the Board
For Valson Industries Limited**

**Suresh Mutreja
Chairman & Managing Director
DIN: 00052046**

**Place: Mumbai
Date: May 29, 2024**



BOARD'S REPORT

TO THE MEMBERS OF VALSON INDUSTRIES LIMITED

The Directors take pleasure in presenting the Fortieth Annual Report together with the Audited Annual Financial Statements for the financial year ended 31st March, 2024. The Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL RESULTS:

Key highlights of Financial Results for Valson Industries Limited for the financial year 2023 – 2024 are tabulated below:

(Rs. in Lakhs)

Particulars	Year ending 31.03.24	Year ending 31.03.23
Revenue from operations	12457.64	13044.66
Operating Profit (PBOIDT) before other income and Interest and Depreciation and Tax	380.99	385.68
Finance Cost	134.18	128.82
Depreciation	255.51	272.61
Operating Profit / (Loss) before other income and extra ordinary activity	(8.70)	(15.75)
Other Income	54.42	51.56
Profit / (Loss) before Tax	45.72	35.81
Taxation	(52.48)	34.01
Profit / (Loss) after Tax	98.20	1.80
Other Comprehensive Income (Net)	6.11	6.50
Total Comprehensive Income	104.30	8.30
Balance of Profit brought forward	1295.55	1287.25
Amount available for appropriations	1399.86	1295.55
Appropriations:		
Balance carried forward to Balance Sheet	1399.86	1295.55
Total	1399.86	1295.55
EPS (Basic & Diluted)	1.28	0.02

There was no revision in the Financial Statements.

2. DIVIDEND:

There is no dividend in financial year 2023 – 24. (Nil in financial year 2022 – 23)

3. BUSINESS OPERATIONS & HIGHLIGHTS OF PERFORMANCE:

Your Company is a leading manufacturer of polyester texturised dyed yarn and processor of cotton and other fancy yarns with customers having diverse uses. Quality Products and Services has been the top-most priority and after continuous research and efforts, your Company has ventured into the dyeing of various qualities of yarns. Today, your Company has wide range of polyester dyed yarn with a strong market acceptance and niche position for exclusive shades and grades.

During the year 2023-2024 the company has procured the need base machinery and ancillaries of **Rs. 318.38 Lakhs** including Capital WIP The said CAPEX has been partly financed way of term loan from by Kotak Mahindra Bank (i.e. **Rs. 125.00 Lakhs**); the details are as under:

Rs. in Lakhs

Sr. No.	Assets	Cost
1	Plant & Machinery (Indigenous) Errection, Installation charges	250.62
2	Electrical Installation	2.11
3	Utility Equipment	16.97
4	Factory Building	3.58
5	Office	6.31
6	Furniture	2.71

Sr. No.	Assets	Cost
7	Vehicle	30.65
8	Computers	1.83
	Subtotal capitalised during the year	314.78
9	Capital Work In Progress - Plant & Machinery (Errection & spare parts)	
10	Capital Work In Progress - Software	3.60
	Subtotal Capital WIP	3.60
	Total CAPEX during the year	318.38

During the year **2023-2024**, the company has performed very well the topline was decrease a bit almost 4.70%. The company has done a well and it comes in the profit lots of fluctuation in the crude prices which affected the POY, Dyes & Chemicals price and steep rise in price of coal and also due to shortage of container the freight prices has increase very sharply, in last two quarters company has done reasonably well and try to control the cost and other expenses.

The highlights financial performances of your Company during the financial year **2023-2024**:

- 1) There is an increase of 2.20% in Texturising production (6260 MT) compared to last year (6126 MT).
- 2) There is a reduction of 7.60% in Twisting production (2420 MT) compared to last year (2620 MT).
- 3) There is a reduction of 0.30% in Sales (6614 MT) compared to last year (6594 MT).
- 4) There is a reduction of 4.50% in terms of Revenue from operations (Rs. 12457.64 Lakhs) compared to last year (Rs. 13044.66 Lakhs).
- 5) During the year there is marginally increase in finance cost to Rs. 134.18 Lakhs from 128.82 Lakhs.
- 6) The staff cost to has decreased 0.10% to Rs. 1424.22 lakhs compare to last year Rs. 1425.51 Lakhs.
- 7) The company's power cost has decreased to Rs. 1380.72 Lakhs compared to Rs. 1463.04 Lakhs.
- 8) Depreciation is Rs. 255.51 Lakhs and Rs. 272.61 Lakhs.
- 9) The Operating Profit/(Loss) (P/(L)BOIDT) before other income and Interest and Depreciation and Tax has decreased marginally by 1.22% Rs. 380.99 Lakhs as compared to last year amount of Rs. 385.68 Lakhs.
- 10) Earnings before Interest, Tax, Depreciation (EBITDA) has decreased marginally by 0.42% Rs. 435.41 Lakhs as compared to last year amount of profit Rs. 437.24 Lakhs.

There is no change in the nature of Company's business.

4. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013:

No material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year of your Company i.e. 31st March, 2024 and date of this report i.e. May 29, 2024.

5. SHARE CAPITAL:

The paid up Equity Share Capital as on 31st March, 2024 is Rs. **766.08** Lakhs. During the year under review, your Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There was no change in your Company's share capital during the year under review. The Promoter and Promoter Group are holding 51,89,834 shares equivalent to 67.75% of the total Issued and Paid-up Share Capital.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND:

During the financial year 2023 – 24, unclaimed Dividend of Rs. 74,544/- was transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. The said amount represents Final Dividend for the financial year 2015 – 16, which remained unclaimed for a period of 7 years from its due date for payment.

7. TRANSFER OF EQUITY SHARES ON UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND:

In line with the statutory requirements, your Company has transferred to the credit of the Investor Education and Protection Fund set up by the Government of India, equity shares in respect of which dividend had remained unpaid / unclaimed for a period of seven (7) consecutive years within the timelines laid down by the Ministry of Corporate Affairs. Unpaid / unclaimed dividend for seven (7) years or more has also been transferred to the IEPF pursuant to the requirements under the Act.



8. DIRECTORS:

8.1 Changes in Directors:

During the financial year, following changes took place in the composition of the Board of Directors:

Cessation of Directors:

- ❖ Mrs. Asha Mutreja (DIN: 07092404) resigned as Whole Time Director and Director of the Company w.e.f. 1st February, 2024.
- ❖ Mr. Chandan Gupta (DIN: 00082609) and Mr. Surendra Kumar Suri (00427799) ceased to be Independent Director(s) of the Company on account of completion of their term on 31st March, 2024.
- ❖ Mr. Pradip Shah (DIN: 00012803) ceased to be an Independent Director of the Company on account of his death on 2nd November, 2023.

The Board places on record its appreciation for the dedicated efforts contributed by Mrs. Asha Mutreja, Mr. Chandan Gupta, Mr. Surendra Kumar Suri and Late Mr. Pradip Shah during their tenure as Directors of the Company.

Appointment / Re-appointment of Directors:

The Board of Directors of the Company had appointed / re-appointed the following persons on the Board of the Company:

- ❖ Mr. Ankit Mutreja (DIN: 07022852) was appointed as an Additional Director of the Company w.e.f. 1st April, 2024. He was further appointed as Whole Time Director (Promoter) of the Company w.e.f. 1st April, 2024.
- ❖ Ms. Ratika Gupta (DIN: 07037367) was appointed as an Additional Director of the Company w.e.f. 1st April, 2024. She was further appointed as an Independent (Women) Director of the Company w.e.f. 1st April, 2024.
- ❖ Mr. Dheeraj Suri (DIN: 06781214) and Mr. Nischal Agrawal (DIN: 10560216) were appointed as Additional Director(s) of the Company w.e.f. 1st April, 2024. They were further appointed as Independent Directors of the Company w.e.f. 1st April, 2024.
- ❖ The term of Mr. Suresh Mutreja (DIN: 00052046) as Chairman and Managing Director of the Company was expiring on 30th June, 2024. He was re-appointed as Chairman and Managing Director of the Company w.e.f. 1st July, 2024.
- ❖ The term of Mr. Varun Mutreja (DIN: 07022832) as Whole Time Director and Chief Financial Officer of the Company will expire on 13th November, 2024. He was re-appointed as Whole Time Director and Chief Financial Officer of the Company w.e.f. 14th November, 2024.

Approval of Members for appointment / re-appointment of Directors:

I. Approval of members by way of Postal Ballot:

As per Regulation 17 (1C) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the approval of the members for the appointment of any Director on the Board of the Company must be obtained within 3 months of the appointment. Accordingly, the Company had obtained the approval of the members for the appointment of the following Directors by way of Postal Ballot. The results of the Postal Ballot were declared on 8th June, 2024.

- a. In terms of Section 152, 196 and 197 read with Schedule V of the Act and Regulation 17 (6) (e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Ankit Mutreja (DIN: 07022852) was appointed by the members as Whole Time Director of the Company w.e.f. 1st April, 2024.
- b. In terms of Section 149, 152 read with Schedule IV of the Act read with Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Ms. Ratika Gupta (DIN: 07037367), Mr. Dheeraj Suri (DIN: 06781214) and Mr. Nischal Agrawal (DIN: 10560216) were appointed by the members as Independent Directors of the Company w.e.f. 1st April, 2024.

II. Approval of members proposed in 40th AGM:

In terms of Section 196 and 197 read with Schedule V of the Act and Regulation 17 (6) (e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, approval of the members for re-appointment of Mr. Suresh Mutreja (DIN: 00052046) as Chairman and Managing Director of the Company w.e.f. 1st July, 2024 and re-appointment of Mr. Varun Mutreja (DIN: 07022832) as Whole Time Director and Chief Financial Officer of the Company w.e.f. 14th November, 2024 has been proposed for approval of members at item no. 4 and 5 of the Notice of 40th Annual General Meeting.

8.2 Retirement by Rotation:

Pursuant to Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of your Company, Mr. Kunal Mutreja (DIN: 07022857), Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

8.3 Declaration by Independent Directors:

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet with the criteria of independence as prescribed both, under Sub-Section 6 of Section 149 of the Companies Act, 2013 and under Regulation 16 (1) (b) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and pursuant to Regulation 25 of the said Regulations 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.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, audit, tax advisory service and they hold highest standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6 (4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, certain Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) years from the date of inclusion of their names in the data bank. Those Independent Directors who have to undertake online proficiency self-assessment test will appear for the same.

8.4 Familiarization Program for Independent Directors:

The Program intends to provide insights into your Company so that the Independent Directors can understand your Company's business in depth and the roles, rights, responsibility that they are expected to perform / enjoy in your Company to keep them updated on the operations and business of your Company thereby facilitating their active participation in managing the affairs of your Company. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 with regards to their roles, rights and responsibilities as Directors of your Company.

8.5 Annual Performance Evaluation:

The annual performance evaluation of the Independent Directors and Board Committees i.e. Audit, Stakeholders Relationship and Nomination & Remuneration Committees was carried by the entire Board and the annual performance evaluation of the Chairman, Board as a whole, Non – Independent Directors was carried out by the Independent Directors.

The annual performance evaluation was carried out in accordance with the criteria laid down by the Nomination and Remuneration Committee of your Company and as mandated under the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time.

8.6 Key Managerial Personnel:

The following persons are Key Managerial Personnel of your Company pursuant to Section 2 (51) and Section 203 of the Act, read with Rule 8 (5) (iii) of the Companies (Accounts) Rules, 2014 framed there under:

1. Mr. Suresh Mutreja, Chairman – Managing Director
2. Mrs. Asha Mutreja, Whole – Time Director*
3. Mr. Varun Mutreja, Director – CFO
4. Mr. Kunal Mutreja, Director – CEO
5. Mrs. Neeti Alwani, Company Secretary and Compliance Officer

*Mrs. Asha Mutreja resigned as Whole Time Director and Director of the Company w.e.f. 1st February, 2024. No other Key Managerial Personnel have resigned during the year under review.

None of the Directors have attained the age of 75 years except Mr. Surendra Kumar Suri. In terms of Regulation 17 (1) (c) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the approval of the members for his re-appointment by way of special resolution has been taken at the 35th Annual General Meeting of the Company held on 30th September, 2019. Mr. Surendra Kumar Suri has ceased to be an Independent Director of the Company on account of completion of his term on 31st March, 2024.

Mr. Suresh Mutreja, Chairman and Managing Director will be attaining the age of 70 years in the year 2027. The consent of the members by way of special resolution for his re-appointment proposed at item no. 4 of the Notice of 40th AGM, includes the consent by way of special resolution in terms of Section 196 (3) of the Act.



8.7 Remuneration Policy:

The Board has in accordance with the provisions of Sub-Section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management Employees. The detail of the same has been disclosed in the Corporate Governance Report.

8.8 Board Meetings:

During the financial year, your Company has held 5 (Five) Board Meetings which were held on 26th May, 2023, 12th August, 2023, 9th November, 2023, 12th February, 2024 and 29th March, 2024. The maximum interval between any two meetings did not exceed 120 days. As per Section 167 (1) (b), all the directors have attended atleast one Board Meeting held during the financial year.

9. PARTICULARS OF EMPLOYEES:

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure A" and form part of this Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the Annual Financial Statements for the year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of the company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

11. INTERNAL CONTROL SYSTEM:

Your Company maintains an adequate and effective Internal Control System commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against significant misuse or loss.

12. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

There are no companies, which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the financial year 2023 – 24.

13. DEPOSITS:

Your Company has not accepted deposits from the public. Your Company has accepted deposit from the members and relatives of directors falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. The details relating to Deposits, covered under Chapter V of the Companies Act, 2013 are tabled below:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount
1.	Accepted during the year	107.30
2.	Repaid during the year	61.50
3.	Remained outstanding but not due as at the end of the year	370.60
4.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:- (i) at the beginning of the year (ii) maximum during the year (iii) at the end of the year	NIL
5.	Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act.	NIL

Your Company has also accepted exempted deposits. The closing balance as on 31st March, 2024 are given below:

(Rs. In Lakhs)

Particulars	Amount
Any amount received as a loan or facility from any banking company	1162.95
Any amount received from a person who, at the time of the receipt of the amount, was a directors of your company.	187.50

Your Company has filed form DPT-3 being Return of Deposits for the financial year ended 31st March, 2024.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans given and investments made which are covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Audited Standalone Annual Financial Statements. The Company has not given any guarantees or security against loan given to any person under the provisions of Section 186 of the Companies Act, 2013.

15. RELATED PARTY TRANSACTIONS:

A Related Party Transaction (RPT) Policy has been adopted by the Board of Directors for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at your Company's website at the web link, <https://valsonindia.com/wp-content/uploads/2016/08/Related-Party-Transactions-Policy.pdf>. All transactions with related parties are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the RPTs, which are foreseeable and repetitive. A statement giving details of all RPTs are placed before the Audit Committee and the Board of Directors on a quarterly basis.

Further the members may note that your Company has not entered into the following kinds of related party transactions:

- Contracts/arrangement/transactions, which are not at arm's length basis or in the ordinary course of business.
- Any Material contracts/arrangement/transactions [as per Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

16. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to your Company.

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

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

18. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

In line with the regulatory requirements, your Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.



The inherent risks to the business of your Company are as follows:

- a) Foreign Exchange Risk
- b) Yarn Price Risk
- c) Stiff Global Competition
- d) Government Policy on incentives for exports
- e) Risk elements in business transactions
- f) Success of Cotton Crop

All the above risk has been discussed in the Management Discussion and Analysis Report. The Chairman and Managing Director, CEO & CFO mitigate the risk with the help of their depth of knowledge of market, assistance of senior management and forecast based on various data available with your Company. Your Company has developed the analysis of market data which helps in decision making and to ensure the mitigation of the risk. In the opinion of the Board, there are no risks which threaten the existence of the Company.

Your Company has not formed Risk Management Committee as it is not applicable as per Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

19. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Over the years, your Company has established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. Whistle Blower Policy is the vigil mechanism instituted by your Company to report concerns about unethical behaviour in compliance with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The Board's Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of your Company's Code of Conduct and / or Whistle Blower Policy. Details of the Whistle Blower Policy have been disclosed on your Company's website at <https://valsonindia.com/wp-content/uploads/2016/08/whistle-blower-Policy-Valson.pdf>.

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

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

21. AUDITORS:

21.1 Statutory Auditors:

The members of the Company at its 39th Annual General Meeting held on 23rd September, 2023 had approved the appointment of M/s. Bastawala & Associates., Chartered Accountants as the statutory auditors of the Company for a term of 5 years. They shall hold the office of statutory auditors from the conclusion of 39th Annual General Meeting until the conclusion of the 44th Annual General Meeting.

In view of the amendment to Section 139 of the Companies Act, 2013, the Company is not required to ratify the re-appointment of the Statutory Auditor at every Annual General Meeting. Hence, the item of ratification of re-appointment of Statutory Auditor is not considered in this Annual General Meeting. In view of the same M/s Bastawala & Associates., Chartered Accountants will continue to act as Statutory Auditors of the Company for Financial Year 2024 – 25.

21.2 Statutory Auditors' Observations:

The audit report given by the statutory auditors on the financial statements of your Company is part of the Annual Report. There are no qualification, reservation or adverse remark made by the statutory auditors in their Audit Report.

21.3 Secretarial Audit:

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. P. C. Shah & Co., Practicing Company Secretaries as Secretarial Auditors for conducting Secretarial Audit of your Company for the financial year ended 31st March, 2024.

The report of the Secretarial Auditor is attached as "Annexure C". The Secretarial Audit Report does not contain any qualification, observation or adverse remark.

21.4 Cost Audit:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained for the year 2023 – 2024.

The Company is required to audit its cost records for the financial year ending 31st March, 2025. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. ABK & Associates Cost Accountants (FRN: 000036) as the Cost Auditors of the Company, for the financial year ending 31st March, 2025, at a remuneration as mentioned in the Notice convening the 40th Annual General Meeting of the Company.

A resolution seeking ratification by the members for the remuneration payable to Cost Auditor for the financial year ending 31st March, 2025 has been proposed at item no. 3 of the Notice of the 40th Annual General Meeting of the Company and same is recommended for your consideration and approval.

22. REPORTING OF FRAUDS BY AUDITORS:

During the financial year under review, neither the statutory auditors nor the secretarial auditors and cost auditors have reported to the Audit Committee of the Board, under Section 143 (12) of the Act, any instances of fraud committed against your Company by its officers or employees, the details of which would need to be mentioned in this Report.

23. COMPLIANCE OF SECRETARIAL STANDARDS:

The Board of Directors affirms that your Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India (SS1 and SS2), respectively relating to Meetings of the Board, its Committees and General Meeting, which have mandatory application during the year under review.

24. GREEN INITIATIVES:

In view of COVID-19 pandemic, the Ministry of Corporate Affairs vide its circular no. 17 / 2020 dated 13th April, 2020, circular no. 20 / 2020 dated 5th May, 2020 and circular No. 02/2022 dated 5th May, 2022 and SEBI vide its circular bearing reference no. SEBI/HO/CFD/CMD1/ CIR/ P/ 2020/79 dated 12th May, 2020 and SEBI/HO/DDHS/P/CIR/2023/0164 dated 6th October, 2023 has dispensed with the requirement of sending hard copy of full annual report to the members.

Electronic copies of the annual report for the financial year 2023 – 24 and Notice of the 40th Annual General Meeting (AGM) are sent to all members whose email addresses are registered with your Company / Depository Participant(s).

Members who have not registered their email address can do so by following the steps as mentioned in the notes of notice of 40th AGM. Alternatively, if they need the soft copy of the annual report, they are requested to download the same from the website of the Company i.e. www.valsonindia.com or from the website of BSE Limited i.e. www.bseindia.com or write to the Company at priresh@valsonindia.com or cs@valsonindia.com.

Pursuant to the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice.

25. ANNUAL RETURN:

Pursuant to sub-section 3 (a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 the Annual Return for the financial year ended 31st March, 2024 in Form MGT 7 is available on the Company's website at <https://valsonindia.com/investor-relations>.

26. CORPORATE GOVERNANCE:

The Board of Directors affirm their continued commitment to good corporate governance practices. During the year under review, your Company has complied with the provisions relating to corporate governance as provided under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The compliance report together with a certificate from the Company's Secretarial Auditor, M/s. P. C. Shah & Co., Practicing Company Secretaries confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through the supporting behaviors. Positive workplace environment and a great employee experience are integral part of our culture. Your Company believes in providing and ensuring a workplace free from discrimination and harassment based on gender.



Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment, your Company provides the mechanism to seek recourse and redressal to the concerned individual subjected to sexual harassment.

Your Company has a Sexual Harassment Prevention and Grievance Handling Policy in place to provide clarity around the process to raise such a grievance and how the grievance will be investigated and resolved. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was raised and pending as on 1st April, 2023 and no complaint has been raised during the financial year ended 31st March, 2024.

28. CEO AND CFO CERTIFICATION:

A certificate from Mr. Kunal Mutreja, Whole Time Director & CEO and Mr. Varun Mutreja, Whole Time Director & CFO, pursuant to provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, for the financial year under review was placed before the Board of Directors of your Company at its meeting held on 29th May, 2024. The certificate is attached and forms part of this Report.

29. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE:

M/s. P. C. Shah & Co., Practicing Company Secretaries, has issued a certificate as required under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory Authority. The certificate is attached and form part of this Report.

30. ANNUAL SECRETARIAL COMPLIANCE REPORT:

M/s. P. C. Shah & Co., Practicing Company Secretaries, has issued Annual Secretarial Compliance Report for the financial year ended 31st March, 2024 pursuant to Regulation 24A of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 which covers a broad check on compliance with the applicable SEBI Regulations and circulars / guidelines issued thereunder on an annual basis. The said Report has been filed with BSE Limited on 29th May, 2024.

31. INSOLVENCY AND BANKRUPTCY CODE:

No application has ever been filed against the Company under the Insolvency and Bankruptcy Code, 2016.

32. ONE TIME SETTLEMENT WITH BANKS:

The Company has not made one-time settlement with the banks or financial institutions.

33. CAPITAL EXPENDITURE:

During the year 2023-2024 the company has procured the need base machinery and ancillaries of **Rs. 318.38 Lakhs** including Capital WIP The said CAPEX has been partly financed way of term loan from by Kotak Mahindra Bank (i.e. **Rs. 125.00 Lakhs**); the details are as under:

Rs. in Lakhs

Sr. No.	Assets	Cost
1	Plant & Machinery (Indigenous) Errection, Installation charges	250.62
2	Electrical Installation	2.11
3	Utility Equipment	16.97
4	Factory Building	3.58
5	Office	6.31
6	Furniture	2.71
7	Vehicle	30.65
8	Computers	1.83
	Subtotal capitalised during the year	314.78
9	Capital Work In Progress - Plant & Machinery (Errection & spare parts)	
10	Capital Work In Progress - Software	3.60
	Subtotal Capital WIP	3.60
	Total CAPEX during the year	318.38



34. MANAGEMENT DISCUSSION AND ANALYSIS:

As required under the Schedule V (B) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, report on "Management Discussion and Analysis" is attached and forms part of this Annual Report.

35. LISTING WITH STOCK EXCHANGES:

Your Company is listed with one Stock Exchange i.e. BSE Limited. Your Company has duly paid the listing fees to BSE Limited.

36. ACKNOWLEDGEMENTS:

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of your Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of your Company for their unstinted commitment and continued contribution to your Company.

37. CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion & Analysis describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

For and on behalf of the Board

Suresh Mutreja
Chairman & Managing Director
DIN: 00052046

Varun Mutreja
Whole Time Director – CFO
DIN: 07022832

Kunal Mutreja
Whole Time Director – CEO
DIN: 07022857

Place: Mumbai
Date: May 29, 2024



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview:

The Indian textile sector is set to benefit from the government's priorities outlined in the budget 2023. The budget indicates the government's commitment to enhancing the textile sector's competitiveness, employment opportunities, and exports.

The government has set aside substantial funds for the textile industry, including Rs. 10,000 crore for the production-linked incentive (PLI) scheme for textiles, Rs. 500 crore for the Indian Technical Textiles Mission, and Rs. 1,000 crore for the National Technical Textiles Mission. These measures are expected to boost the sector's production and exports, as well as create more employment opportunities for people in the country.

In addition, the government has announced several other initiatives to support the textile sector, including establishing mega textile parks, providing infrastructure development support, increasing support for the Handloom sector, and supporting the growth of the jute sector.

The textile sector is a significant contributor to India's economy, and the government's focus on it in the 2023-24 budget is expected to have a positive impact on the sector's growth and development. The government's commitment to the textile sector's development is also in line with its goal of making India a global manufacturing hub and boosting its exports.

The new budget for 2023-24 contains a sizeable increase in grants for the textile industry, with a total allocation of Rs. 4,389.34 crore. These and other features of the budget show the government's priorities for the textile industry.

Other Initiatives taken by Government of India are:

- From an allocation of Rs. 650 crore for ATUFs in 2022-23, this figure has increased to Rs. 900 crore in 2023-24; this will enable quicker payment processes for any pending cases.
- To help with the productivity of extra-long staple cotton, there will be a cluster based and value chain approach using public private partnerships, providing raw material security for the garment industry. Additionally, five new HS Codes have been identified for further classification of cotton as per staples length. The support from the Cotton Corporation's Price Support Scheme has been withdrawn but they are yet to predict the full impact of this action. The Increased allocation to both RoDTEP and RoSCTL have also been increase as well as a corpus of Rs 9,000 crore revamping credit guarantee schemes which aims provide collateral free guaranteed credit worth RS 2 lakh crore. Furthermore, an interest equalization scheme (IES) has been implemented with an allocation of Rs 2376 crore in 2022-23 increasing to Rs 2932 crore in 2023-24.
- Efforts are also being put into creating a green infrastructure that will reduce our carbon footprints while making apparel facilities sustainable too.
- This efforts to promote sustainability within the textile industry as well as technology such as Industry 4/0 courses including coding, AI and robotics via Pradhan Mantri Kaushal Vikas Yojana 4.0 show great promise in creating a credible workforce adept at current manufacturing jobs quickly and skilling country's youth for international opportunities through Skill India Centres.
- Lastly, states are encouraged to set up Unity Malls promoting and selling ODOPs (One District One Product), GI products and other handicraft products locally and from other states too encouraging local produce on a larger scale than before.
- Additionally, a cluster-based value chain approach with Public Private Partnership (PPP) is being implemented to enhance productivity of extra-long staple (ELS) cotton by connecting farmers, states, and industries together through sources, services, and market linkages.
- The government has allocated a 38% increase in the allocation of Technology Upgradation Funds (ATUFs), going from Rs.650 crore in 2022-23 to Rs.900 crore in 2023-24.

Outlook:

The Textile Market (2023-2025) features an extensive analysis of the market's various types [Cotton, Jute, Silk, Synthetics, Wool] and applications [Apparel, Industrial Textile, Medical Textiles, Home Textiles], providing valuable insights into the market conditions, growth factors, and competition analysis. Our report includes 105 pages and tables, along with figures that present the most valuable data for the forecast period up to 2025.

The technical textile sector specialises in producing advanced fabrics by employing cutting-edge technology on natural and synthetic fibres. This industry prioritises materials with heightened durability, exceptional insulation and enhanced heat resistance. Innovative fabrics like Nomex, Kevlar and Spandex have diverse applications in healthcare, automotive, construction, security and other sectors. Soon, the demand for technical textiles is expected to soar, particularly in medical, eco-friendly, industrial, sports, healthcare, automotive and housing applications, thereby significantly influencing the textile industry's trajectory.

The textile industry's outlook for 2024 and beyond is characterised by a strong emphasis on sustainability, incorporating both natural and synthetic fibres, prioritising yarn quality, embracing technical textiles and digital printing and maintaining a resolute dedication to

creating a more environment-friendly and ethical future. Looking ahead, the Indian textile market is anticipated to exceed a valuation of US\$ 209 billion by 2029. The textile sector remains resilient by evolving to meet the demands of a changing world, actively embracing innovation, sustainability and consumer preferences to maintain its enduring relevance.

India stands as the world's second-largest producer of man-made fibres. These fibres contribute to nearly 100% of non-cotton and blended fabrics, offering versatility and cost-efficiency. Currently, the country produces a staggering 1,441 million kilogrammes of synthetic fibres and over 3,000 million kilogrammes of synthetic filaments. Man-made fibres, such as viscose and polyester, have proven to be flexible, durable and capable of withstanding high-speed machinery. Their hydrophobic properties open doors to multiple applications. Consequently, man-made fibres have become a vital pillar of India's textile industry, providing the sector with the agility to adapt to changing market dynamics.

India's textile sector is poised for growth with a 28% increase in the budget allocated for the sector in the fiscal year 2024-25. This significant boost in funding is expected to drive innovation, enhance productivity, and create new opportunities for the textile industry in India. The increased investment underscores the government's commitment to supporting the growth and development of the textile sector, which plays a crucial role in the country's economy. With this increased budget allocation, the textile sector is well-positioned to capitalize on emerging trends and capitalize on new opportunities in the global market.

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. Overall, the increased budget allocations is a positive step for the Indian textile sector. However, its actual impact will depend on the specific measures implemented and how effectively the industry leverages this opportunity.

Risks and concerns:

The textile sector is one of the critical sectors of the Indian economy, accounting for more than two per cent of the total GDP and more than 12 per cent of the manufacturing sector gross domestic product (GDP). The sector is also the second largest provider of employment in India, after agriculture. It provides employment to an estimated 45 million people directly and to another 60 million indirectly through allied activities. Not only is the textile sector highly labour intensive, it also employs unskilled and semi-skilled labour force and is also an important source of employment for women.

The Indian domestic market is sluggish too. Even the festival season did not bring cheers to the manufacturers, unlike earlier years. It seems that the people are giving preference for food items, buying consumer equipment, gadgets like mobiles, i-pads, etc. as also cars and bikes over garments. The spinning sector reeled under high under-utilization due to reduced yarn imports by China as well as reduced buying by weavers and knitters. Reduced exports and dull local consumption resulted in trouble for the local textile industry. The PLI and PM Mitra schemes are expected to attract investments in man-made fibre and technical textile products and reduce the import dependability over the years. The athleisure and sportswear segment has however shown tremendous growth with the brands doubling their sales in the last two years. However, in this segment too most of the man-made fibre spandex fabrics have been imported from China, Vietnam and Taiwan. The margins of the textile mills are under pressure, although the cotton prices have stabilized by now around 2-year low.

The Indian textile industry is now grappling with a significant setback as freight costs witness a staggering 40% increase due to unrest in the Red Sea. This unexpected spike in transportation cost has raised concerns about its impact on operational costs and pricing.

There are some areas of concerns, which need to be stated here. Along-with recovery, the textile industry is also facing increase in input prices in sync with the global trends and appreciating rupee. The issues textile industry of India is facing like:

- Shortage in supply of raw materials
- Increase in the cost of raw materials
- Environmental problems
- Infrastructure bottlenecks
- Impact of GST
- Shortage of laborer's due to a mass return
- The decline in Apparel export.
- Industry has unfavorable labor Laws.
- India has disadvantage in terms of Geographic Locations. Because of this there is Global Logistic Disadvantage as shipping cost is higher.
- There is uneven supply chain model and inbound freight traffic is low which affects cost of shipping.
- India lacks in various trade memberships, which restrict to tap potential market.
- Inappropriate energy supplies to rural and sub-urban areas.
- Industry needs to compete on the basis of Price, Quality and Delivery for the different segments.



Company's Business

The company has established its brand name "VALSON" in polyester texturised yarn since 1983. Today we are one of the leading manufacturers of Polyester Texturised & Twisted Yarn and Processors of Cotton, Polyester and other Fancy yarns in India with Customers having diverse uses its end-users comprise players from the shirting, suiting's, label, upholstery, hosiery, furnishings, automotive and ready-made garments industries etc. Quality Products and Services has been our top most priority and after continuous research, we have ventured into the dyeing of various qualities of yarns. We have more than 65000 shades in our data bank.

The Company is into manufacturing and exporter of Polyester Dyed Yarn and processors of Cotton and other fancy yarn. It has activities like Texturising, Twisting, Coning and Dyeing Plants to produce Quality Polyester Texturised Twisted Yarn and other fancy yarn. The Manufacturing process is as under:

The basic raw material used for texturising is Partially Oriented Yarn popularly known as POY. It is fragile, weak, delicate and easily breakable. POY does not have any purposeful use as it lacks the stability, strength, and therefore it cannot be directly used for weaving or knitting.

The term texturising means the production of a permanent crimp in the initially straight fiber or filament yarn. It increases the bulk and improves the elasticity of yarn. This activity fully draws POY yarn to comply with the market requirement and therefore it is different commercial commodity. The POY after the texturising process is known as "Weft Yarn". The twisted crimp yarn is hard, strong and not easily breakable. It gives the yarn a feel of natural like cotton or wool.

The "Weft Yarn" is further twisted for the purpose of imparting the required strength, which is necessary to withstand the high-speed run-on looms for the purpose of weaving. The twisted yarn is known in commercial parlance as "Warp Yarn".

The Texturised and twisted yarn is properly washed and thereafter is dyed under quality parameters to get Colour Strength, Tone, Dispersion and Sublimation fastness.

The Dyed Yarn is wound around standard size cones before they are packed for dispatch.

The Company has established its brand as reputed manufacturer of quality, polyester dyed yarn and processors of cotton and other fancy yarn. It has been supplying its products through the network of agents in market. There are about 10 to 15 major agents spread over in Maharashtra, Delhi, Punjab, Northern and Southern India.

There scope of activity of agents will also include the following: -

- 1) To book the orders and to render various incidental services including the monitoring of the follow up of the same.
- 2) To obtain the general market information and acquaint the Company from time to time.
- 3) To receive the payment and statutory forms for and on behalf of the Company in respect of direct invoice raised on the customers for supply of material delivered as per their instruction at anywhere in India.

The Company is exploring new avenues to increase the export base and has chalked out strategic growth plan for the potential market in Middle East, U K, Egypt, Russia and other European markets.

We are getting incentives like duty drawback for export of our goods and have covered our products under RODTEP Scheme declared by Ministry of Commerce as an additional incentive to increase the export and capture global market. Opportunities:

Opportunities:

The Indian textile and apparel market size reached US\$ 197.2 Billion in 2023. Looking forward, IMARC Group expects the market to reach US\$ 592.7 Billion by 2032, exhibiting a growth rate (CAGR) of 12.6% during 2024-2032. The increasing demand for premium quality clothing and footwear items, rising number of schemes launched by the Government of India to empower weavers, and the growing ethically sourced sustainable materials represent some of the key factors driving the market.

Piyush Goyal, Minister of Commerce and Industry, announced that the government is establishing 12 new industrial parks across the country and has plans for 5-6 mega textile parks. He encouraged the private sector to seize these opportunities.

The textile PLI scheme might see a reduction in the investment threshold and include more man-made fabric (MMF) products, with considerations also being made to include apparel in the scheme.

The cabinet is expected to soon decide on whether to extend the benefits of production-linked incentive (PLI) schemes to additional products within the textiles, food processing, and pharmaceuticals sectors. The expansion of products under the PLI scheme is under consideration at the cabinet level, with proposals to include more products, particularly in the textiles sector.

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

Textile And Leather Sector

Reduced BCD on MDI for Spandex Yarn: The Basic Customs Duty (BCD) on methylene diphenyl diisocyanate (MDI) for spandex yarn production will be reduced from 7.5% to 5%. This move addresses duty inversion and reduces input costs for manufacturers.

Lower BCD on Down Filling: The BCD on real down filling material from ducks or geese will be lowered from 30% to 10%, making premium filling materials more affordable for garment manufacturers.

Expanded Exemptions: The list of exempted goods for manufacturing textile garments, leather, footwear and other leather articles for export will be expanded, further reducing production costs.

Simplified Export Duties: The export duty structure on raw hides, skins and leather will be simplified and rationalized to streamline export processes.

The Union Budget 2024 -2025 has increased the allocated budget for the textile sector by INR 974 crore to INR 4,417.09 Crore.

The budget also raised the allocation for research and capacity building to INR 686 crore from INR 380 crore. The proposal also includes reducing the basic customs duty (BCD) on real down-filling material from ducks and geese to improve Indian leather and textile export competitiveness.

In addition, the allocation of the budget for the National Technical Textiles Mission rose by 120.59%, from INR 175 crore in 2023-24 to INR 375 crore this FY.

Technical textiles are special textile fabrics designed for performance and functionality. They are primarily used in healthcare, construction, agriculture, automotive, aviation, home care, and protective gear.

These textiles can be made from both natural and synthetic fibers, like Spandex, Twaron, Nomex, and Kevlar.

As of 2023, India exports approximately \$2.5 billion worth of technical textiles, with medical apparel being the most exported. India aims to increase this number to \$10 billion in the next five years.

Furthermore, the budget allocated for the National Handicraft Development Programme is INR 236 crore, a significant 38% jump from the previous financial year's INR 171 crore.

The budget for silk promotion has been raised to INR 900 crore, up from INR 875 crore. Currently, India ranks as the world's second-largest silk producer. The silk industry, or sericulture, employs about 9.2 million people in rural and semi-urban areas. Despite this, India imports silk due to high domestic demand.

Funding for centrally sponsored schemes has surged by 45.6% to INR 3,866 crore from INR 2,654 crore in 2023-24. This increase supports the promotion of geotextiles in the North-East, PM-MITRA, handloom protection, and raw material supply.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

Threats:

India's textile industry weaves a vital thread into the nation's economic tapestry, contributing 2.3 per cent to the GDP, 13 per cent to industrial production and 12 per cent to exports. The textiles and apparel sector the country's second-largest employer, directly engaging 45 million workers and indirectly supporting 100 million more in allied industries is especially significant as India grapples with an unemployment crisis.

Indian Textile Industry is highly fragmented industry that is led by several small-scale industries. Because of this, there is lack of Industry Leadership. These small companies do not have fiscal resources to invest in technological up-gradation and they are not able to generate economies of scale. This leads to inability to establish a world-class competitive player. Despite many policies, Industry is bound with historical regulations that are reason for Complex Industry Structure. Though Industry has cheap and skilled manpower but they are less productive. There is lack of technological up-gradation in various steps of value chain that affect the quality, cost and distribution.

Indian textile exporters are facing stiff competition and they lack policy and labour law reforms. But the Company through its quality production upgradation of technology (automation) work hard to competes and do well with other players in this sector.

The issues textile industry of India is facing like:

- Global Competition
- Shortage in supply of raw materials with rising the cost of raw materials
- Environmental problems
- Infrastructure bottlenecks (Over dependency on Manual Efforts)



Valson Yarns - Creation Never Ends Here

- Impact of GST
- Shortage of laborer's due to a mass return
- Heavy Noise Pollution and Rising Environmental Concerns
- Inadequate Attention Paid to Technology Upgradation and Regular R&D
- The decline in Apparel export.
- Fragmentation and Skill Shortage
- High Volume of Waste Material; Exposure to Chemical Hazards
- Market Volatility and uncertainty

Segment-wise performance:

The Company's business activity falls within a single business segment viz. 'Yarns' and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Accounting Standard 108 "Segment Reporting", notified under the Companies (Indian Accounting Standards) Rules, 2015.

Human Resources:

Valson recognizes that nurturing and developing human resources by recruiting the best talent is vital to the long-term success of the company. Employees are provided with continuous opportunities for active learning and development, which are viewed as the key drivers of our growth and thereby contributing to the success of the Company. The remuneration structure is linked directly with performance and reward.

The Company acknowledges that human resources are its biggest asset and hence who have been nurtured and strengthened over the years.

Insurance:

Valson Industries Limited has insured its assets and operations against all insurable risks including fire, earthquake, flood, and etc. as part of its overall risk management strategies.

Safety, Health and Environment:

At Valson, safety is considered a high priority and all efforts are made to ensure safe working environment for employees. All probable incidents are analyzed and corrective actions are taken. Employees are trained in safe practices to be followed at work places at all the times.

Environmental Preservation:

Quality of human life is the most important factor to sustain life and this could be achieved through preservation of natural environment. The Company's R & D Department continues to develop new shades in an environmentally sustainable manner. The Company always consumes eco-friendly dyes, colours and chemicals. The Company has also installed an Effluent Treatment plant for proper treatment of wastewater. Your company's strength lies in consistent quality consciousness and eco-friendly awareness.

Material developments in Human Resources / Industrial Relations:

The company has always considered human resources as the driving force for progress and success and they are the main assets of the company. Management is of the firm belief that the growth of the company is due to the continuous contribution from its manpower. The company has the required number of skilled and semi-skilled persons and it constantly tries to improve their quality and productivity and provides a congenial working environment for them. The company is committed for continual improvement in all aspects of social standard, business and employee's welfare to grow as an ethical business. We believe that harmony amongst employees, employer and business leads to socio economic improvement. The industrial relations continued to be extremely cordial during the year.

Internal control systems and their adequacy:

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter.

The Internal Audit department carried out audits in different areas of your Company's operations. Post audit reviews were carried out to ensure that audit recommendations were implemented and they monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented quarterly and yearly reports to the chairman of Audit Committee of the Board to maintain its objectivity and independence.

The Audit Committee reviewed the audit program and findings of the Internal Audit department and the Company when needed takes corrective actions.

Discussion on financial performance with respect to operational performance:

During the year **2023-2024**, the company has performed very well the topline was decrease a bit almost 4.70%. The company has done a well and it comes in the profit lots of fluctuation in the crude prices which affected the POY, Dyes & Chemicals price and steep rise in price of coal and also due to shortage of container the freight prices has increase very sharply, in last two quarters company has done reasonably well and try to control the cost and other expenses.

The highlights financial performances of your Company during the financial year **2023-2024**:

Year Ended March	2024	2023
Operating Profit /(Loss)	3.50%	3.33%
Gross Profit / (Loss) Margin	2.42%	2.36%
Interest / Sales	1.08%	0.97%
Net Profit / (Loss) after Tax	0.79%	0.01%
Return of Net worth (RONW)	3.65%	0.07%
Debt / Equity Ratio	0.67	0.68
Current Ratio	1.48	1.28
Inventory Turnover Ratio	10.49	11.48
Interest Coverage	2.85	3.66
Debtors Period (in Days)	23.36	26.18

- 1) There is an increase of 2.20% in Texturising production (6260 MT) compared to last year (6126 MT).
- 2) There is a reduction of 7.60% in Twisting production (2420 MT) compared to last year (2620 MT).
- 3) There is a reduction of 0.30% in Sales (6614 MT) compared to last year (6594 MT).
- 4) There is a reduction of 4.50% in terms of Revenue from operations (Rs. 12457.64 Lakhs) compared to last year (Rs. 13044.66 Lakhs).
- 5) During the year there is marginally increase in finance cost to Rs. 134.18 Lakhs from 128.82 Lakhs.
- 6) The staff cost to has decreased 0.10% to Rs. 1424.22 lakhs compare to last year Rs. 1425.51 Lakhs.
- 7) The company's power cost has decreased to Rs. 1380.72 Lakhs compared to Rs. 1463.04 Lakhs.
- 8) Depreciation is Rs. 255.51 Lakhs and Rs. 272.61 Lakhs.
- 9) The Operating Profit/(Loss) (P/(L)BOIDT) before other income and Interest and Depreciation and Tax has decreased marginally by 1.22% Rs. 380.99 Lakhs as compared to last year amount of Rs. 385.68 Lakhs.
- 10) Earnings before Interest, Tax, Depreciation (EBITDA) has decreased marginally by 0.42% Rs. 435.41 Lakhs as compared to last year amount of profit Rs. 437.24 Lakhs.

During the year 2023-2024 the company has procured the need base machinery and ancillaries of Rs. 318.38 Lakhs including Capital WIP The said CAPEX has been partly financed way of term loan from by Kotak Mahindra Bank (i.e. Rs. 125.00 Lakhs).

The Company shall direct all its efforts and resources towards a strong and healthy shareholders wealth creation.

For and on behalf of the Board

Suresh Mutreja
Chairman & Managing Director
DIN: 00052046

Varun Mutreja
Whole Time Director – CFO
DIN: 07022832

Kunal Mutreja
Whole Time Director – CEO
DIN: 07022857

Place: Mumbai
Date: May 29, 2024



ANNEXURE 'A' TO BOARD'S REPORT

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule (5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Details
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Suresh N. Mutreja – Chairman – 16.8:1 Mr. Varun S. Mutreja – Director – 9.2:1 Mr. Kunal S. Mutreja – Director – 9.2:1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	NIL
3.	The percentage increase / (decrease) in the median remuneration of employees in the financial year.	6.79%
4.	The number of permanent employees on the rolls of company as on 31 st March.	509 Employees
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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.	Nil
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31 st March, 2024 is as per the Remuneration Policy of the Company

ANNEXURE 'B' TO BOARD'S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

❖ The disclosure to be made under sub-section 3 (m) of section 134 of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014 by the Company are explained as under:

❖ **Conservation of Energy:**

Particulars	Answers
The steps taken or impact on conservation of energy;	Company has installed at Silli in the October 2020 solar panel of 80.78 KW and generating the electricity. The company has changed the old wiring at Vapi and Silli unit, which has, avoid the leakages of electricity. We are regularly monitoring and maintaining the same.
The steps taken by the company for utilising alternate sources of energy;	The company has installed the meter floor wise to check and monitor the electricity consumption process wise and put inverters also to minimize the power consumption. The company will appoint an energy auditor to check there is no leakages and to find out the alternate solutions for the same.
The capital investment on energy conservation equipments;	The company has invested 25 lakhs on solar panels in the year 2020-2021 and Rs. 10 lakhs in changes in wiring and also recurring expenses to maintain solar panel and separate machine.

The Company is using LED Lights at various locations to conserve the energy.

❖ **Technology Absorption:**

Particulars	Answers
The efforts made towards technology absorption;	Nil
The benefits derived like product improvement, cost reduction, product development or import substitution;	Nil
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year);	
a. The details of technology imported;	Financial Year ended March 31, 2024: Nil
b. The year of import;	Financial Year ended March 31, 2023: Nil
c. Whether the technology been fully absorbed;	Financial Year ended March 31, 2022: Nil
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	
The expenditure incurred on Research and Development.	Nil

However, the Company has been continuously and extensively using technology in its operations. The details of Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo in terms of actual outflows are as under:

1) Details of Forex earned

Particulars	(In foreign Currency)	Rs. In Lakhs
	FOB value	FOB value
i) Export Sales - USD	1282370.41	1046.85
ii) Export Sales - INR	-	637.05
Total (i + ii)	-	1683.90

2) Details of Forex spent (Outgo)

	(In foreign Currency)	Rs. In Lakhs
	Amount in USD	Amount
i) Membership & Subscription	4,000.00	3.31
Total amount spent	4,000.00	3.31



**ANNEXURE 'C' TO BOARD'S REPORT
SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
Valson Industries Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Valson Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during audit period)**.
5. 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) SEBI (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; **(Not Applicable to the Company during audit period)**.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. **(Not Applicable to the Company during audit period)**.
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993, regarding the Companies Act, 2013 and dealing with the clients.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2021. **(Not Applicable to the Company during audit period)**.
 - h) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018. **(Not Applicable to the Company during audit period)**.
6. There are no other laws specifically applicable to the industry to which the Company belongs as identified by the management. I have also examined compliance with the applicable clauses of the following:
 - 1) Secretarial Standards issued by the Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
 - 2) The Securities Exchange Board of India (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.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that during the audit period, there were no instances of:

1. Public/Right/Preferential issue of shares / Debentures / Sweat Equity, etc.
2. Redemption / Buy-Back of Securities
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
4. Merger / Amalgamation / Reconstruction, etc.
5. Foreign Technical Collaborations

For P. C. Shah & Co.,
(Formerly known as 'M/s. P. P. Shah & Co.')
Company Secretaries
Unique ICSI ID No.: S2023MH955400

Punit Shah
Proprietor

ACS No: 20536, COP No: 7506
UDIN: A020536F000490511
Peer Review: 666/2020

Date: 29th May, 2024
Place: Mumbai

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Valson Industries Limited

Sub: 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 the financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P. C. Shah & Co.,
(Formerly known as 'M/s. P. P. Shah & Co.')
Company Secretaries
Unique ICSI ID No.: S2023MH955400

Punit Shah
Proprietor

ACS No: 20536, COP No: 7506
UDIN: A020536F000490511
Peer Review: 666/2020

Date: 29th May, 2024
Place: Mumbai



CORPORATE GOVERNANCE REPORT

Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For The Financial Year 31st March, 2024

The Directors' Report on the compliance of the Corporate Governance Code is given below.

1. CORPORATE GOVERNANCE

1.1 Company's Philosophy on Corporate Governance:

Corporate Governance is about commitment to values and ethical business conduct. We look upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholders value creation. Good Corporate Governance is about enhancing value for all our stakeholders. The Company is committed to adopting best practices in corporate governance and disclosures. This includes its corporate and other structures, its culture, policies, and the manner in which it deals with various stakeholders. Accordingly, a timely and accurate disclosure of information regarding the financial situation, performance, ownership, and governance of the Company is an important part of corporate governance.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding our plants, place of work, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices, being followed since its inception, have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

The Company believes that sound corporate governance is critical to enhance and retain investors' trust. The Company's corporate governance philosophy is based on the following principles:

1. Primary responsibility of a good corporate entity is maximizing shareholders value.
2. Be transparent and maintain a high degree of disclosures level.
3. Sound system of risk management and internal control.
4. Principles of integrity, transparency, disclosures, accountability and fairness.
5. Upholding the highest standards of professionalism.
6. Management is the trustee of the shareholders capital and not the owner.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV (Obligations of Listed Entity which has listed its Specified Securities) read with Schedule V (Annual Report) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") is given below:

1.2 The Governance Structure:

Valson's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

- a. Board of Directors** – The Valson Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.
- b. Committee of Directors** - With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. Each of these Committees has been mandated to operate within a given framework.
- c. Management Structure**- Management structure for running the business as a whole is in place with appropriate delegation of powers and responsibilities to the functional heads. The Chairman and Managing Director, CFO and CEO are in overall control and responsible for day-to-day working of the Company. They give strategic directions, lay down policy guidelines and ensures implementation of decisions of the Board of Directors and its various committees.

2. BOARD OF DIRECTORS:
2.1 Composition and Category of Directors:

The Board consists of 6 Directors as on 31st March, 2024, out of which 3 are Independent Directors. Composition of the Board and category of Directors are as follows:

Name of the Directors	Designation	Executive / Non-Executive	Promoter	Relationship with Directors
Mr. Suresh Mutreja	Chairman & Managing Director	Executive	Promoter	Father of Mr. Varun Mutreja and Mr. Kunal Mutreja and Husband of Mrs. Asha S. Mutreja
Mr. Varun Mutreja	Director - Chief Financial Officer	Executive	Promoter	Son of Mr. Suresh Mutreja and Mrs. Asha Mutreja and Brother of Mr. Kunal Mutreja
Mr. Kunal Mutreja	Director - Chief Executive Officer	Executive	Promoter	Son of Mr. Suresh Mutreja and Mrs. Asha Mutreja & brother of Mr. Varun Mutreja
Mrs. Asha Mutreja*	Whole-Time Director	Executive	Promoter	Wife of Mr. Suresh Mutreja and Mother of Mr. Varun Mutreja and Mr. Kunal Mutreja
Mr. Chandan Gupta	Independent Director	Non-Executive	Independent	Not Related to any Directors
Mr. Surendrakumar Suri	Independent Director	Non-Executive	Independent	Not Related to any Directors
Mr. Pradip Shah**	Independent Director	Non-Executive	Independent	Not Related to any Directors
Mr. Amit Singh	Independent Director	Non-Executive	Independent	Not Related to any Directors

*Ceased w.e.f. 1st February, 2024 **Ceased w.e.f. 2nd November, 2023

The Company has received a declaration from Independent Directors that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

The Company is also compliant with composition of Board of Directors with minimum two Independent Directors as prescribed under Section 149 (4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. The Company has also complied with Regulation 17 of SEBI Listing Regulations with 3 Promoter Executive Directors and 3 Non-Executive Independent Directors.

2.2 Directors' Profile:

The Board of Directors comprises of professionals of eminence and stature drawn from diverse fields. They collectively bring to the fore a wide range of skills and experience to the Board, which elevates the quality of the Board's decision-making process.

Mr. Suresh Mutreja (DIN: 00052046), Chairman and Managing Director (Promoter):

Mr. Suresh Mutreja is a graduate, B.Com. He has vast experience almost 4 and half decades in textile industry, administration and Management. He has sound knowledge on the textile market. He has sound knowledge and very good experience in overall management, etc.

He is looking after overall administration and Management of the Company.

He is not on the Board of any other company whose equity shares are listed on a Stock Exchange.

Mr. Varun Mutreja (DIN: 07022832), Whole Time Director and Chief Financial Officer (Promoter):

Mr. Varun Mutreja is a post graduate, MBA in Finance. He has vast experience, of almost a decade in Banking, Accounts and Marketing (Domestic and Export). He has sound knowledge in marketing, etc.

He is looking after Banking, Accounts and Marketing of the Company.

Mr. Varun Mutreja is a member of Audit Committee and Stakeholders Relationship Committee.

He is not on the Board of any other company whose equity shares are listed on a Stock Exchange.

Mr. Kunal Mutreja (DIN: 07022857), Director and Chief Executive Officer (Promoter):

Mr. Kunal Mutreja is a graduate, B.com. He has vast experience almost a one and half decade in production. He has very good practical experience in production.

He is not on the Board of any other company whose equity shares are listed on a Stock Exchange.

Mrs. Asha Mutreja (DIN: 07092404), Whole-Time Director (Promoter):

Mrs. Asha Mutreja is a graduate, B.com. She has good experience two decade in HR and administration related work. She has very good practical experience in HR & Admin.



She is looking after the HR and admin activities of Mumbai (Head office).

She is not on the Board of any other company whose equity shares are listed on a Stock Exchange. She has ceased to be the Whole Time Director and Director of the Company w.e.f. 1st February, 2024.

Mr. Chandan Gupta (DIN: 00082609), Non-Executive Independent Director:

Mr. Chandan Gupta is a Practicing Chartered Accountant and fellow member of ICAI and also the member of Company Secretary. He has vast experience in Corporate Finance, Accounts, Taxation and Compliance Management. He has sound knowledge and practical aspect of Corporate Finance, Accounts, Company Laws, Tax Laws, etc since last 4 decades.

He was a Chairman of Audit Committee and Nomination and Remuneration Committee.

He was not related to the Chairman or any other Member of the Board.

He was not on the Board of any other company whose equity shares are listed on a Stock Exchange. He has ceased to be an Independent Director of the Company on account of completion of term on 31st March, 2024.

Mr. Surendrakumar Suri (DIN: 00427799), Non-Executive Independent Director:

Mr. Surendrakumar Suri is a graduate. He has vast experience in HR and compliance PF, ESIC and labour law. He has sound knowledge and practical aspect of PF, ESIC and Labour Laws and HR related matters since last 5 decades.

He is a Director of 1 Private Limited Company. He has developed his own system on Compliance of HR, ESIC, PF and Labour Law. He advises his clients on various labour laws, ESIC & PF related matters. He had sound knowledge about the said laws and its implementation.

He was a member of Audit Committee Nomination and Remuneration Committee and Chairman of Stakeholders Relationship Committee w.e.f. 1st January, 2024.

He was not related to the Chairman or any other Member of the Board.

He was not on the Board of any other company whose equity shares are listed on a Stock Exchange. He has ceased to be an Independent Director of the Company on account of completion of term on 31st March, 2024.

Mr. Pradip Shah (DIN: 00012803), Non-Executive Independent Director:

Mr. Pradip Shah was a Practicing Company Secretary and Fellow member of ICSI. He had vast experience in Corporate Compliance Management. He had sound knowledge and practical aspect of Corporate Laws, Tax Laws, FEMA, SEBI, etc.

He was a Director of 1 Foreign Subsidiary Company and 2 Private Limited Companies. He had developed his own system of Compliance Management. He advised his clients on various legal and secretarial compliances under various Corporate Laws. He had sound knowledge on corporate restructuring including implementation of Scheme of Merger and De-merger. Under his able guidance, the Company had achieved good compliances of Companies Act, 2013, SEBI and SEBI Listing Regulations.

He was a Chairman of Stakeholders Relationship Committee and member of Audit Committee and Nomination and Remuneration Committee.

He was not related to the Chairman or any other Member of the Board.

He was not on the Board of any other company whose equity shares are listed on a Stock Exchange. He has ceased to be an Independent Director of the Company on account of death on 2nd November, 2023.

Mr. Amit Singh (DIN: 09497573), Non-Executive Independent Director:

Mr. Singh is a Bachelor of Commerce and Chartered Accountant. He is practicing as Chartered Accountant and has experience of a decade in the fields of audit, direct tax and indirect tax.

He is not a Director of any other Company.

He is not related to the Chairman or any other Member of the Board.

He is a member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee w.e.f. 1st January, 2024.

He is not on the Board of any other company whose equity shares are listed on a Stock Exchange.

Confirmation as regards skills / competence / expertise of the Board of Directors:

The Board believes that the above-mentioned skills / competencies/expertise are required for the business of the Company and Directors of the Company possess this skills / competencies / expertise, which helps the Company to function effectively.

Confirmation as regards independence of Independent Directors:

None of the Independent Directors serves as Independent Directors in more than seven (7) listed companies in line with the requirements of the SEBI Listing Regulations. The said Independent Directors have also confirmed that they meet the criteria

of independence as laid down under the Companies Act, 2013 and the SEBI Listing Regulations, as amended.

Confirmation as regards the independence of Independent Directors have been duly obtained from them and taken on record.

In the opinion of the Board, all the Independent Directors fulfill the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act and are independent of the Management.

2.3 Board Training and Induction:

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director of the Company. The CEO & MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as a Director of the Company.

2.4 Board Meetings held during the Year:

Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
26 th May, 2023	8	8
12 th August, 2023	8	8
9 th November, 2023	7	7
12 th February, 2024	6	6
29 th March, 2024	6	6

Attendance of each Director at the Board Meeting and Last Annual General Meeting

Date of Board Meetings	Mr. Suresh Mutreja	Mr. Varun Mutreja	Mrs. Asha Mutreja*	Mr. Kunal Mutreja	Mr. Chandan Gupta^	Mr. Surendra Kumar Suri^	Mr. Pradip Shah**	Mr. Amit Singh
26/05/2023	Present	Present	Present	Present	Present	Present	Present	Present
12/08/2023	Present	Present	Present	Present	Present	Present	Present	Present
09/11/2023	Present	Present	Present	Present	Present	Present	N.A.	Present
12/02/2024	Present	Present	N.A.	Present	Present	Present	N.A.	Present
29/03/2024	Present	Present	N.A.	Present	Present	Present	N.A.	Present
Total Attendance (out of 5 Board Meetings)	5	5	3	5	5	5	2	5
Attendance at Last AGM	Present	Present	Present	Present	Present	Present	Present	Present

*Resigned w.e.f. 1st February, 2024 **Ceased w.e.f. 2nd November, 2023 on account of death

^Ceased to be Independent Director on account of completion of term on 31st March, 2024

2.5 a. Number of other Companies where director (of VIL) hold memberships on the Board of Directors:

b. Number of Committees in which the Directors (of VIL) hold Memberships or Chairmanships:

Name of Director	Date of Appoint-ment	*No. of Directorship held in Indian public limited Companies (including VIL)	**Number of Committee Memberships / Chairmanships (including VIL)	
			Chairman	Member
Mr. Suresh Mutreja	26/06/1983	1	0	0
Mr. Chandan Gupta\$	31/10/2003	1	1	0
Mr. Surendrakumar Suri\$	31/01/2005	1	1&	2&
Mr. Varun Mutreja	14/11/2014	1	0	2
Mrs. Asha Mutreja^	14/02/2015	1	0	0
Mr. Pradip Shah^^	14/02/2015	1	1	1
Mr. Kunal Mutreja	27/05/2017	1	0	0
Mr. Amit Singh	11/02/2022	1	0	2#

^Resigned w.e.f. 1st February, 2024 ^^Ceased w.e.f. 2nd November, 2023 on account of death



\$Ceased to be Independent Director on account of completion of term on 31st March, 2024

&Member of Stakeholders Relationship Committee upto 31st December, 2023 and Chairman w.e.f. 1st January, 2024

#Member of Audit Committee and Stakeholders Relationship Committee w.e.f. 1st January, 2024

* For calculating no. of Directorships, only Public Limited Companies (Listed and Unlisted) have been considered.

** Further for calculating Committee Memberships and Committee Chairmanships, only Audit Committee and Stakeholders Relationship Committee of Public Limited Companies (Listed and Unlisted) have been considered.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half-yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, and reviews such other items, which require the Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The agenda for the Board Meeting covers items set out as guidelines in SEBI Listing Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

D&O Insurance for Directors

In line with the requirements of Regulation 24 (10) of the SEBI Listing Regulations, the Company is not required to take Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board, since it is not applicable to the Company.

2.6 Resignation of Independent Director and reasons for the same:

During the financial year, there was no resignation of any Independent Director from the Board of the Company.

3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

3.1 Audit Committee:

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes. More than two-thirds of the members of the committee, including the Chairman are Independent Directors. The committee is governed by a Charter, which is in line with the regulatory requirements mandated by the act and SEBI Listing Regulations. All the members of the committee have the ability to read and understand financial statements. The Chairman of the committee possesses professional qualifications in the field of Finance and Accounting.

Some of the important functions performed by the Committee are:

3.1.1 Financial Reporting and Related Processes:

- Effective oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with the Management (i) the quarterly Un-Audited Financial Results and the Auditors' Limited Review Report thereon, (ii) Audited Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia include reviewing changes in the accounting policies and practices and reasons for such change, major accounting entries involving estimates based on exercise of judgment by the Management.
- Review the Management Discussion & Analysis of financial condition and results of the Company's operation.
- Review of Management internal control systems, improvements and weaknesses, if any, as observed by the Statutory Auditors.
- Review of the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the person heading the Department, reporting structure, coverage and frequency of internal audit.

- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control.
- Discuss with the Statutory Auditors, its judgment about the quality and appropriateness of the Company's accounting principles with reference to relevant Accounting Standards and the relevant Rules under the Act as amended from time to time.
- Scrutiny and review the investments and inter-corporate loans made by the Company.

3.1.2 Internal Controls and Governance Processes:

- Review the adequacy and effectiveness of the Company's Accounting system and internal financial controls.
- Review and discuss with the Management on the Company's major financial risk exposures and steps taken by the Management to monitor and mitigate such risks.
- To oversee and review the functioning of the vigil mechanism implemented in the Company as a Whistle Blower Policy and to review the findings of investigations into cases of material nature, if any, and the actions taken in respect thereof. The scope of the vigil mechanism enables employees, Directors and other stakeholders to report on any cases of leakage of unpublished price sensitive information and consequent non-compliance with SEBI (Prohibition of Insider Trading Regulations) Regulations, 2015.
- To make the employees aware of the vigil mechanism to enable employees to report instances of leak of unpublished price sensitive information.
- Management letters/letters of internal control weaknesses, if any, issued by the Statutory Auditors.

3.1.3 Audit:

- Review the scope of the Statutory Audit, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review and monitor the Auditors' independence and performance and effectiveness of the audit process.
- Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Review and discuss the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment / re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal, if necessary.
- Approve such additional services which are to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act and payment for such services.
- Recommend to the Board the remuneration of the Statutory Auditors / Cost Auditors.
- Discussion with the Statutory Auditors / Internal Auditors on significant findings and follow-up thereon.
- Review the Annual Cost Audit Report submitted by the Cost Auditor.

3.1.4 Other Functions:

- To approve the appointment, removal and terms of remuneration of the Internal Auditor and to approve the appointment of the Chief Financial Officer after assessing the qualifications and experience of the candidates.
- To grant omnibus approval to all related party transactions including any subsequent modifications thereto, grant of omnibus approvals for related party transactions which are repetitive in nature, are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board or shareholders, as the case may be.
- To review compliance with the provisions of the SEBI (Prohibition of Insider Trading Regulations) Regulations, 2015 as amended from time to time and to verify that the systems for internal control for prohibition of Insider Trading are adequate and are operating effectively.
- The scope and terms of reference of the Committee has been widened in line with the amendments made to the listing regulations, which become applicable from the said date.



The composition of the Audit Committee as at 31st March, 2024 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Mr. Chandan Gupta*	Mr. Surendra Kumar Suri#	Mr. Amit Singh&	Mr. Pradip Shah[§]	Mr. Varun Mutreja@
26 th May, 2023	Present	Present	N.A.	Present	Present
12 th August, 2023	Present	Present	N.A.	Present	Present
9 th November, 2023	Present	Present	N.A.	N.A.	Present
12 th February, 2024	Present	Present	Present	N.A.	Present
Total (out of 4 meetings)	4	4	1	2	4

*Chairman & Non-Executive Independent Director; Ceased on account of completion of term on 31st March, 2024.

#Member & Non-Executive Independent Director; Ceased on account of completion of term on 31st March, 2024.

@Member & Executive Director – CFO

§Member & Non-Executive Independent Director; Ceased w.e.f. 2nd November, 2023 on account of death

& Member & Non-Executive Independent Director; Appointed as Member w.e.f. 1st January, 2024

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 23rd September, 2023.

All the Members on the Audit Committee are financially literate and possess sound knowledge in finance and accounting practice. The representative of the Statutory Auditors are permanent invitee to the Audit Committee Meetings. The representative has attended all Audit Committee Meetings held during the year at which the financial results / financial statements have been placed for review.

The Internal Auditors are invited to attend the Audit Committee Meetings.

The Minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

Performance Review of the Audit Committee:

The performance of the Audit Committee is assessed annually by the Board of Directors through a structured questionnaire, which broadly covers Functions and Duties, Management Relations and Committee Meetings and Procedures. The performance of the Audit Committee were found satisfactory for the financial year 2023 – 24 and the same has been forwarded to Mr. Suresh Mutreja, Chairman & Managing Director of the Company for record.

3.2 Nomination and Remuneration Committee (NRC):

The Chairman of the Committee is an Independent Director and half of the Members on the Committee are Independent Directors.

3.2.1 Terms of Reference:

- Succession planning of the Board of Directors and Senior Management Personnel.
- Identifying and selecting candidates who are qualified for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential candidates for appointment as Key Managerial Personnel and to recommend to the Board of Directors their appointment and removal;
- Review the performance of the Board of Directors and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short-term and long-term objectives of the Company. Accordingly, the Committee recommends to the Board, the remuneration in whatever form payable to the Senior Management including Key Managerial Personnel;
- To recommend to the Board of Directors the extension or continuance in office of the Independent Directors on the basis of the report of their performance evaluation;
- The functions of the Committee have been widened in line with the amendments made to SEBI Listing Regulations.
- Specify the manner of carrying the performance evaluation of the Board, its Committees and individual Directors.

3.2.2 Remuneration Policy:

While formulating the policy the Committee has to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee as at 31st March, 2024 and the details of Members participation at the Meetings of the Committee are as under:

Date of Meeting	Mr. Chandan Gupta*	Mr. Surendra Kumar Suri#	Mr. Pradip Shah@	Mr. Amit Singh&
26 th May, 2023	Present	Present	Present	N.A.
12 th February, 2024	Present	Present	N.A.	Present
29 th March, 2024	Present	Present	N.A.	Present
Total (out of 1 meeting)	3	3	1	2

*Chairman & Non Executive Independent Director; Ceased on account of completion of term on 31st March, 2024.

#Member & Non Executive Independent Director; Ceased on account of completion of term on 31st March, 2024.

@Member & Non Executive Independent Director; Ceased w.e.f. 2nd November, 2023 on account of death.

& Member & Non-Executive Independent Director; Appointed as Member w.e.f. 1st January, 2024

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 23rd September, 2023.

3.3 Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises three Members out of which half of the Members are Independent Directors.

3.3.1 Terms of Reference of the Committee:

- to approve transfer / transmission of shares / debentures and such other securities, as may be issued by the Company from time to time;
- to issue of duplicate share certificates for shares / debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- to issue and allot right shares / bonus shares pursuant to a out rights issue / bonus issue, subject to such approvals as may be required;
- to issue and allot debentures, bonds and other securities as approved by the Board of Directors, subject to such other approvals of the Regulators as may be required;
- to approve and monitor requests relating to dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to
 - o transfer / transmission of shares, issue of duplicate share certificates for shares reported lost, defaced or destroyed, to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
 - o non receipt of annual reports, notices, non-receipt of declared dividend, change of address for correspondence and other such issues and to monitor action taken thereon;
- to monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;
- to monitor expeditious redressal of grievances of shareholders / security holder and all other matters incidental or related to issue of shares, debentures and other securities, if any of the Company.



- to review reports relating to grievances of investors, shareholding pattern and other reports, which are to be submitted to the Stock Exchanges periodically in line with the requirements of the SEBI Listing Regulations;
- review of measures taken for effective exercise of voting rights by shareholders;
- reviewing the various measures and initiatives taken to reduce the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
- review of adherence to the service standards adopted in respect of various services being rendered by the Registrar and Share Transfer Agent.
- review of transfer of unpaid / unclaimed dividend / shares to the Investor Protection Fund of the Government of India in line with the relevant Rules thereunder;
- any other matters as may be assigned to the Committee by the Board of Directors from time to time.

The composition of the Stakeholders' Relationship Committee as at 31st March, 2024 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Mr. Pradip Shah[*]	Mr. Surendra Kumar Suri[#]	Mr. Varun Mutreja[@]	Mr. Amit Singh^{&}
26 th May, 2023	Present	Present	Present	N.A.
12 th August, 2023	Present	Present	Present	N.A.
9 th November, 2023	N.A.	Present	Present	N.A.
12 th February, 2024	N.A.	Present	Present	Present
Total (out of 4 meetings)	2	4	4	1

^{*}Chairman & Non- Executive Independent Director; Ceased w.e.f. 2nd November, 2023 on account of death

[#]Member & Non- Executive Independent Director; Appointed as Chairman w.e.f. 1st January, 2024; Ceased on account of completion of term on 31st March, 2024;

[@]Member & Executive Director – CFO;

[&]Member & Non-Executive Independent Director; Appointed as Member w.e.f. 1st January, 2024

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 23rd September, 2023.

3.3.2 Compliance Officer:

As required by the SEBI Listing Regulations, the Company has appointed Mrs. Neeti Alwani as Company Secretary and Compliance Officer of the Company. Mr. Pritesh Shah will continue to act as Compliance Officer.

Email address of Company Secretary and Compliance Officer is cs@valsonindia.com / pritesh@valsonindia.com.

3.3.3 Complaints:

During the financial year ended 31st March, 2024, Nil complaints were received from the shareholders and no complaints were pending for redressal either at the beginning or at the end of the year. The complaints relate to non-receipt of annual report, dividend, share transfers, etc.

Opening as on 1 st April, 2023	Nil
Received during the year	Nil
Disposed of during the year	Nil
Closing as on 31 st March, 2024	Nil

3.4 Corporate Social Responsibility (CSR) Committee:

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to the Company.

3.5 Risk Management Committee (Non-Mandatory):

The Company has not formed Risk Management Committee as it is not applicable under regulation 21 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The inherent risks to the business of the company are as follows:

- a) Foreign Exchange Risk
- b) Yarn Price Risk
- c) Stiff Global Competition
- d) Government Policy on incentives for exports
- e) Risk elements in business transactions
- f) Success of Cotton Crop

All the above risk has been discussed in the Management Discussion and Analysis Report. The Chairman and Managing Director, CEO & CFO mitigate the risk with the help of their depth of knowledge of market, assistance of senior management and forecast based on various data available with the Company. The Company has developed the analysis of market data which helps in decision making and to ensure the mitigation of the risk.

3.6 Policy for Selection and Appointment of Directors and their Remuneration:

The Nomination and Remuneration Committee (NRC) has adopted a Policy which, inter alia, deals with the manner of selection of Managing Director, Whole-Time Director, CEO, CFO, Other Directors, members of Senior Management and their remuneration. The said Policy has been outlined below:

3.6.1 Criteria of Selection of Non-Executive Directors:

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

3.6.2 Remuneration:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:

- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3.6.3 Managing Director, Whole-Time Director, Chief Executive Officer & Chief Financial Officer - Criteria for Selection / Appointment:

For the purpose of selection of the MD, WTD, CEO & CFO, the NRC recommends the Promoter Directors as WTD, MD, CEO & CFO who are persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

Remuneration for the Managing Director, Whole-Time Director, Chief Executive Officer & Chief Financial Officer

- At the time of appointment or re-appointment, the MD, WTD, CEO & CFO shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC and the Board of Directors) and the MD, WTD, CEO & CFO within the overall limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.



The remuneration of the MD, WTD, CEO & CFO is broadly divided into fixed components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

3.6.4 Remuneration Policy for the Senior Management Employees:

- In determining the remuneration of the Senior Management Employees including Key Managerial Personnel, the NRC shall ensure / consider the following:
 - the relationship of remuneration and performance benchmark is clear;
 - the balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals;
 - the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis industry benchmark and current compensation trends in the market.
- The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC for its review and approval.

3.7 Independent Directors' Meeting:

During the year under review, the Independent Directors met on 29th March, 2024, inter alia to discuss:

- evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as Managing Relationships, Leadership, Strategy Formulation and execution, financial planning / performance, Relationships with the Board, External Relations, Human Resources Management / Relations, Succession, Product / Service Knowledge, and Personal Qualities, etc.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the Meetings and the open ness and transparency with which the Management discusses various subject matters specified on the agenda of Meetings. The consolidated evaluation report of the Board, based on inputs received from the Directors was discussed at the Meeting of the Board held on 29th March, 2024.

3.8 Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the performance evaluation of the Independent Directors and Committees of the Board were carried out by the entire Board. The performance evaluation of the Board as a Whole, Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

3.9 Details of Remuneration paid to all Directors:

The aggregate remuneration paid to the Directors for the year ended 31st March, 2024 is as under:

(Rs. In Lakhs)

Name of Director	Designation	Salary & Perquisites	Commission	Sitting Fees	Total
Mr. Suresh Mutreja	Managing Director	53.54	-	-	53.54
Mr. Varun Mutreja	Director – CFO	29.45	-	-	29.45
Mr. Kunal Mutreja	Director – CEO	29.45	-	-	29.45
Mrs. Asha Mutreja [^]	Whole-Time Director	5.45	-	-	5.45
Mr. Chandan Gupta [*]	Independent Director	-	-	1.00	1.00

Name of Director	Designation	Salary & Perquisites	Commission	Sitting Fees	Total
Mr. Surendrakumar Suri*	Independent Director	-	-	1.00	1.00
Mr. Pradip Shah^^	Independent Director	-	-	0.50	0.50
Mr. Amit Singh	Independent Director	-	-	0.70	0.70

[^]Resigned w.e.f. 1st February, 2024 ^{^^}Ceased w.e.f. 2nd November, 2023 on account of death

*Ceased to be Independent Director on account of completion of term on 31st March, 2024

Note:

- ❖ The Company does not pay any allowances, perquisites, performance bonus, performance linked incentives, sign-on amount to Executive and Non-Executive Directors.
- ❖ There is no separate provision for payment of severance fees to Executive and Non-Executive Directors.
- ❖ Notice Period: 1 month
- ❖ Apart from payment of sitting fees, the Company does not have any pecuniary relationship or transactions with non-executive Directors.

Details of Service Contracts:

Name	Designation	Tenure	From	To
Mr. Suresh Mutreja	Chairman & Managing Director	5 years	1 st July, 2019 1 st July, 2024	30 th June, 2024 30 th June, 2027**
Mr. Kunal Mutreja	Whole Time Director – CEO	5 years	1 st June, 2022	31 st May, 2027
Mr. Varun Mutreja	Whole Time Director – CFO	5 years	14 th November, 2019 14 th November, 2024	13 th November, 2024 13 th November, 2027**
Mrs. Asha Mutreja*	Whole Time Director	5 years	1 st June, 2020	31 st May, 2025

*Resigned w.e.f. 1st February, 2024

**Subject to approval of members as proposed in Notice of 40th AGM (Refer Item No. 4 and 5, respectively)

Equity Shares of Valson Industries Limited held by the Non-Executive Directors are as follows:

Non-Executive Directors	No. of shares held as on 31 st March, 2024	No. of shares held as on 31 st March, 2023
Mr. Chandan Gupta [^]	Nil	Nil
Mr. Surendrakumar Suri [^]	400	400
Mr. Pradip Shah ^{^^}	10	10
Mr. Amit Singh	Nil	Nil

[^] Ceased to be Independent Director on account of completion of term on 31st March, 2024

^{^^} Ceased w.e.f. 2nd November, 2023 on account of death

Details of Stock – Options

The Company has not issued any stock options.

4. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company. Hence it is not required to adopt any policy for determining material subsidiaries.

5. DISCLOSURES:

5.1 Indian Accounting Standards (Ind AS):

The Company has followed the relevant Accounting Standards notified by the Companies (India Accounting Standards) Rules, 2015 while preparing Financial Statements.

5.2 Regulations 17 to 27 & Regulation 46 of SEBI Listing Regulations:

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.



5.3 Related Party Transactions:

All transactions entered into by the Company during the year with related parties were in the ordinary course of business and on arm's length pricing basis. The policy on related party transactions has been placed on the Company's website and can be accessed at <https://valsonindia.com/wp-content/uploads/2016/08/Related-Party-Transactions-Policy.pdf>. In line with the amended the SEBI Listing Regulations, the policy has been amended suitably.

Where any materially significant related-party transaction is proposed, approval of the Members is obtained however, during the financial year, the Company has not entered into any materially significant related party transactions.

5.4 Confirmation by the Board of Directors' acceptance of recommendation of Committees:

The Board of Directors confirmed that during the financial year, it has accepted all recommendations received from its committees. None of the recommendations made by any of the Committees has been rejected by the Board.

5.5 Fees paid to Statutory Auditors:

During the financial year ended 31st March, 2024, your Company has paid a consolidated sum of Rs. 400000/- to the Statutory Auditor.

5.6 Strictures and Penalties:

No strictures or penalties have been imposed on the Company by the Securities and Exchange Board of India (SEBI) or BSE Limited or by any statutory authority on any matters related to capital markets during the last three years.

5.7 CFO & CEO Certification:

The CFO & CEO have issued certificate pursuant to the provisions of SEBI Listing Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

5.8 Code of Conduct for the Board Members and Senior Management:

The Company had formulated a Code of Business Conduct for the employees, including the Directors, for dealing with all the stakeholders of the Company and the same was first adopted by the Board in its meeting held on 27th May, 2014. The Code inter alia covers the conduct of employees, environment, health & safety, anti-trust / competition laws, anti-bribery & anti-corruption, proper accounting and internal controls. The updated Code is also available on the Company's official website at the web link, <https://valsonindia.com/vil-policy-file>.

Accordingly, a declaration from the CEO that all Board Members and Senior Management personnel have duly complied with the Code of Conduct for the financial year ended 31st March, 2024 forms part of the Annual report.

5.9 Vigil Mechanism / Whistle Blower Policy:

During the financial year 2017 – 18, in accordance with the Regulation 22 of the SEBI Listing Regulations and pursuant to Section 177 (9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has adopted a Whistle Blower Policy. The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. As per the whistle blower policy, the employees are free to report violations of laws, rules, regulations or un-ethical conduct to their immediate superior. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice.

The Board hereby affirms that no person has been denied access to Audit Committee.

The Company's Whistle Blower Policy has also been amended to make employees aware of the existence of policies and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information to enable them to report on leakages, if any, of such information.

5.10 Details of utilization of funds raised through preferential allotment or qualified institutions:

During the financial year, the Company has not raised any funds through preferential allotment or qualified institutions placement.

5.11 Details of loans and advances in the nature of loans given to firms / companies in which Directors are interested:

During the financial year, the Company has not given any loans and advances in the nature of loans to firms / companies in which the Directors of the Company are interested. The Company does not have any subsidiary.

5.12 Prevention of Insider Trading:

Pursuant to SEBI Listing Regulations, the Company has formulated the 'Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders' and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ('Code'), which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of the Company's

shares by the Directors, designated employees and connected persons, while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. The codes have been revised in line with the amendments to the Prohibition of Insider Trading Regulations, as amended from time to time.

Pursuant to the above, the Company has put in place an adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations.

A structured digital database is being maintained by the Company's RTAs, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the Prohibition of Insider Trading Regulations.

The Board has also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations.

The Compliance Officer is appointed to ensure the implementation of the codes for fair disclosure and conduct.

The Board, designated persons and other connected persons have affirmed compliance with the Code.

5.13 Communication with the Members/ Shareholders:

- The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communication through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.
- The un-audited quarterly, half yearly and annual results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the SEBI Listing Regulations. The aforesaid financial results are disseminated to BSE Limited (BSE) where the Company's securities are listed, within thirty minutes of the close of the Board meetings at which these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers (Business Standard and Lakshadweep). The Audited Annual Financial Statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE Limited all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- The Annual Report of the Company, the quarterly, half yearly and annual financial results of the Company are placed on the Company's website at www.valsonindia.com and BSE Limited at www.bseindia.com from where they can be downloaded.
- In compliance with SEBI Listing Regulations, on a quarterly basis, the Company files its quarterly results, shareholding pattern, quarterly compliances like investor complaints, share capital audit report, share transfer certificate, statement of related party transactions, scrutinizers report on voting of general meetings, outcome of board meetings and general meetings, etc. and all other corporate communication is filed electronically on BSE's online Portal – BSE Listing Centre. The Company has complied with filing submissions through BSE's Online Portal. The same can be downloaded from the website of BSE i.e. at www.bseindia.com.
- The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The MD, CEO and CFO have been empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges.
- Facility has been provided by SEBI for investors to place their complaints / grievances on a centralized web-based complaint redress system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are centralized database of all complaints, on-line upload of Action Taken Reports (ATRs) by the concerned companies and on-line viewing by investors of actions taken on the complaints and their current status.

6. GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended: 31st March, 2024

6.1 Registrar to Issue and Share Transfer Agent:

Pursuant to the directive of SEBI, whereby all work related to share register in terms of both physical and electronic mode for maintenance had to be carried out at a single point, the Company has appointed M/s. Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent, to handle its entire share related activities, both for physical shares and shares in demat form.

Link Intime India Pvt. Ltd.

C 101, Embassy Park, L B S Marg, Vikhroli West, Mumbai – 400 083

Tel No: (0) 810 811 6767; Toll-free number: 1800 1020 878; Fax: 022 4918 6060

E mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in



Valson Yarns - Creation Never Ends Here

6.2 Address for correspondence with Depositories:

National Securities Depository Limited
Trade World, A Wing, 4th Floor,
Kamala Mills Compound,
Lower Parel, Mumbai – 400 013
Telephone No: 022-4886 7000
E-mail: info@nsdl.com
Website: www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futorex, A-Wing, 25th Floor,
N M Joshi Marg, Lower Parel,
Mumbai – 400 013
Tel. No.: 1800 21 09911
E-mail : shareholders@cdslindia.com
Website : www.cdslindia.com

6.3 Registered Office & Correspondence Address

Valson Industries Limited

28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059

Tel No: 022 4066 1000 / Fax: 022 4066 1199

Website: www.valsonindia.com

Email Address: pritesh@valsonindia.com; cs@valsonindia.com

Contact Person:

Mrs. Neeti Alwani, Company Secretary and Compliance Officer &

Mr. Pritesh Shah, Vice President, Finance

Members are requested to state their DP ID & Client ID / Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers to facilitate prompt response from the Company.

6.4 Plant Locations:

6.4.1 Texturising and Twisting:

Silli Unit:

Survey No. 122/1, Village Silli, U.T. – Dadra and Nagar Haveli 396 230.

6.4.2 Yarn Dyeing:

Vapi Unit: Plot No. 1204, GIDC, Phase III, Vapi, Gujarat 396 195.

6.5 Market Information:

Listing on Stock Exchange:

The Company's equity shares are listed on the following Stock Exchange:

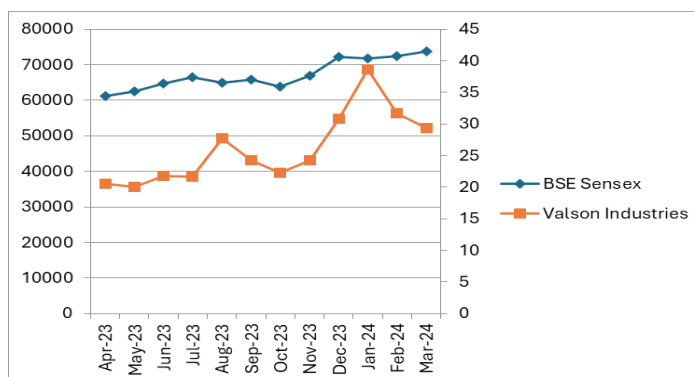
Name & Address of the Stock Exchange	Scrip Code / Symbol	ISIN Number (Dematerialized shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	530459 / Valson	INE 808A01018

The equity shares of the Company are not suspended from trading on BSE Limited.

Performance of Equity Shares of the company in comparison to BSE Sensex

(Source: Chart as per the website of BSE Limited i.e. www.bseindia.com)

Index Comparison



Monthly High and Low Prices of the Equity Shares of the Company for the financial year ended 31st March, 2024:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	Spread (Rs.)	
								H-L	C-O
Apr-23	19.75	23.99	19.00	20.49	55,648	353	11,24,358	4.99	0.74
May-23	20.50	21.50	18.75	20.09	31,010	235	6,27,957	2.75	-0.41
Jun-23	19.80	25.75	19.55	21.82	52,465	408	11,75,670	6.20	2.02
Jul-23	22.50	24.00	20.51	21.66	32,182	291	7,10,864	3.49	-0.84
Aug-23	22.00	31.50	21.00	27.72	82,988	546	21,62,931	10.50	5.72
Sep-23	27.90	31.75	23.01	24.27	59,760	525	15,08,648	8.74	-3.63
Oct-23	25.00	28.00	21.50	22.22	59,657	473	14,08,863	6.50	-2.78
Nov-23	21.79	29.00	21.79	24.23	79,738	637	19,49,677	7.21	2.44
Dec-23	24.75	35.48	23.02	30.89	3,59,976	1,610	1,06,48,125	12.46	6.14
Jan-24	30.89	40.75	28.90	38.58	3,72,882	2,005	1,33,14,323	11.85	7.69
Feb-24	39.70	45.85	30.01	31.64	1,75,240	970	69,26,346	15.84	-8.06
Mar-24	31.64	34.32	27.00	29.28	75,554	544	22,69,352	7.32	-2.36

*Spread H-L: High-Low: C-O: Close-Open

Annual Fees:

The Company has paid Annual Custody Fees for the financial year 2024 – 25 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

The Company has paid Annual Listing Fees for the year 2024 – 25 to BSE Limited within the stipulated time.

6.6 Shareholders' rights:

A shareholder in a Company enjoys certain rights, which are as follows:

- To receive share certificates, on allotment or transfer as the case may be, in due time.
- To receive copies of the Annual Report, Balance Sheet and Profit and Loss Account and the Auditor's Report.
- To participate and vote in General Meetings either personally or through proxies.
- To receive dividends in due time, once approved in General Meetings or Board Meetings.
- To receive corporate benefits like rights and bonus etc. once approved.
- To apply to the National Company Law Tribunal to call or direct the Annual General Meeting.
- To inspect the minute books of the General Meetings and to receive copies thereof.
- To proceed against the Company by way of civil or criminal proceedings.
- To apply for the winding-up of the Company.
- To receive the residual proceeds.

The above-mentioned rights may not necessarily be absolute.

7. SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS
7.1 Share transfers:

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details and mobile number with their depository participants.

Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with the Company's RTA, at rnt.helpdesk@linkintime.co.in. Updating all the relevant information will enable shareholders to receive dividends, if declared and communications on time. Kindly refer the relevant notes in the notice of annual general meeting.

7.2 Nomination facility for shareholding:

In terms of the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13),



from the Company's Registrar and Share Transfer Agent. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

7.3 Dividend:

➤ **Unclaimed Dividends:**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years from the date, the dividend has become due for payment to the Investor Education & Protection Fund (IEPF) established by the Government. Accordingly, during the financial year 2023-24, unclaimed Dividend of Rs. 74,544/- was transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. The said amount represents Final Dividend for the financial year 2015 – 16 which remain unclaimed for a period of 7 years from its due date for payment. The last date for claiming unclaimed and unpaid dividends declared by the Company for the financial year ended 31st March, 2017 and thereafter is as under:

For Equity Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming un-paid Dividend
Final Dividend 2016 – 2017	05.08.2017	09.09.2024
Final Dividend 2017 – 2018	29.09.2018	03.11.2025
Final Dividend 2018 – 2019	30.09.2019	04.11.2026

➤ **Dividend History:**

Sr. No.	Financial Year	Final / Interim	Dividend %	Total Dividend (Rs. in Lakhs)
1.	2018 – 19	Final	10%	76.61
2.	2017 – 18	Final	10%	76.61
3.	2016 – 17	Final	10%	76.61
4.	2015 – 16	Final	10%	76.61
5.	2014 – 15	Final	10%	76.61

7.4 Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven consecutive years or more):

In terms of Section 124 (6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company has transferred the shares in respect of which dividends have remained unpaid / unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. Further, shares of those shareholders who have not claimed dividends for seven (7) consecutive years or more have been transferred to IEPF.

7.5 Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF:

Investors / Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under the erstwhile Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures / guidelines stated below:

- (a) Download the Form IEPF-5 from the website of IEPF (www.iepf.gov.in) for filing the claim for the refund of dividend / shares. Read the instructions provided on the website / instruction kit, along with the e-form carefully, before filling the form.
- (b) After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- (c) Take a print out of the duly filled Form IEPF-5 and the acknowledgement issued after uploading the form.
- (d) Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form along with other documents as mentioned in the Form IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority" / "Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.
- (e) Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and / or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr. Suresh Mutreja whose e-mail id is suresh@valsonindia.

com.

7.6 Pending Investors' Grievances:

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to Mrs. Neeti Alwani, Company Secretary and Compliance Officer at cs@valsonindia.com or to Mr. Pritesh Shah, Vice President – Finance at pritesh@valsonindia.com or at the Registered Office with a copy of the earlier correspondence, if any.

7.7 Dematerialization of Shares and Liquidity:

As per notification issued by SEBI, with effect from 26th June, 2000, it has become mandatory to trade in the Company's shares in electronic form. The Company's shares are available for trading in the depository systems of both NSDL and CDSL.

As on 31st March, 2024, 98.90% of the Company's total paid up capital representing 75,76,790 equity shares were held in dematerialized form and the balance 1.10% representing 84,010 equity shares were held in physical form.

As required by SEBI, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with Central Depository Services (India) Limited (CDSL), National Securities Depository Limited (NSDL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

7.8 Disclosure with respect to demat suspense account/unclaimed suspense account:

As on 31st March, 2024, there are no outstanding shares lying in the demat suspense account / unclaimed suspense account.

7.9 Distribution of Shareholding as on 31st March, 2024:

Range	No. of Shareholders	% to Total Holders	Total Shareholding	% to Capital
1 – 500	2,146	76.23	2,88,254	3.76
501 – 1000	330	11.72	2,68,678	3.52
1001 – 2000	148	5.25	2,24,838	2.94
2001 – 3000	57	2.03	1,47,343	1.92
3001 – 4000	30	1.07	1,06,799	1.39
4001 – 5000	23	0.82	1,08,108	1.41
5001 – 10000	39	1.39	2,59,172	3.38
10001 & Above	42	1.49	62,57,608	81.68
Total	2,815	100.00	76,60,800	100.00

The Company has entered into agreements with Central Depository Services (India) Limited (CDSL), National Securities Depository Limited (NSDL) whereby Members have an option to dematerialize their shares with either of the depositories.

7.10 Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments. Hence there will not be any impact on the equity of the company.

7.11 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

Fluctuation in the prices of crude oil results in volatility in yarn price. Further, the risk arising in exchange rate and high fluctuation in cost of coal and the shortage of container and sharp rise in freight cost also affects the Company.

The foreign exchange exposure risks have not been majorly hedged by any derivative instrument or otherwise. The Company is taking PCFC/EPC from bank and also some time forward booking to control the foreign exchange fluctuation.

7.12 Particulars of Past Three Annual General Meetings:

- Date, time and venue for the Annual General Meetings and Extra Ordinary General Meeting held during the last 3 financial years and nature of special resolutions passed thereat are given below:

Financial Year	Nature of Meeting	Special Resolution Passed, if any	Date & Time	Location
31 st March, 2021	37 th AGM	Nil	11 th September, 21 11.00 A.M.	Registered Office (By Video Conference)
31 st March, 2022	38 th AGM	Note 1	3 rd September, 22 11.30 A.M.	Registered Office (By Video Conference)



31 st March, 2023	39 th AGM	Nil	23 rd September, 23 11.30 A.M.	Registered Office (By Video Conference)
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Note 1:

1. Special Resolution for appointment of Mr. Amit Singh as an Independent Director for a term of 5 years.
2. Special Resolution for re-appointment of Mr. Kuntal Mutreja as Whole-Time Director & CEO for a further period of 5 years.

Other Disclosures:

1. There was no resolution passed through postal ballot last year.
2. No resolution is proposed to be passed through postal ballot.
3. Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

Postal Ballot Notice dated 29th March, 2024 and the Date of Passing of the resolutions were 8th June, 2024:

Resolution	Type of Resolution	Votes in favour of Resolution		Votes against the Resolution	
Appointment of Mr. Ankit Mutreja (DIN: 07022852) as Director of the Company	Ordinary	51,99,077	99.82	9,405	0.18
Appointment of Mr. Ankit Mutreja (DIN: 07022852) as Whole Time Director of the Company	Special	51,99,077	99.82	9,405	0.18
Appointment of Ms. Ratika Gupta (DIN: 07037367) as an Independent (Women) Director of the Company.	Special	51,99,077	99.82	9,405	0.18
Appointment of Mr. Dheeraj Suri (DIN: 06781214) as an Independent Director of the Company.	Special	51,99,077	99.82	9,405	0.18
Appointment of Mr. Nischal Agrawal (DIN: 10560216) as an Independent Director of the Company.	Special	51,99,077	99.82	9,405	0.18

Mr. Punit Shah from M/s. P. C. Shah & Co., Practicing Company Secretary conducted the Postal Ballot exercise for the Postal Ballot Notices dated 29th March, 2024.

8. AGREEMENTS BINDING LISTED ENTITIES:

Pursuant to Regulation 30A of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, during the financial year, no agreement has been entered or executed by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or its subsidiaries, if any among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

**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)

To,
The Members of
Valson Industries Limited
Unit No.28, Bldg.No.6, Mittal Industrial Estate,
Andheri-Kurla Road, Andheri (E), Mumbai – 400059

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Valson Industries Limited having CIN L17110MH1983PLC030117 and having registered office at Unit No. 28, Bldg. No. 6, Udit Mittal Ind. Estate, Andheri-Kurla Road, Andheri (E), Mumbai – 400 059 (hereinafter referred to as 'the Company'), produced before me 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 opinion and to the best of my 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 by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Suresh Mutreja	00052046	26/06/1983
2.	Asha Mutreja [^]	07092404	14/02/2015
3.	Varun Mutreja	07022832	14/11/2014
4.	Kunal Mutreja	07022857	27/05/2017
5.	Chandan Gupta [*]	00082609	31/10/2003
6.	Surendrakumar Suri [*]	00427799	31/01/2005
7.	Pradip Shah ^{^^}	00012803	14/02/2015
8.	Amit Singh	09497573	11/02/2022

[^]Resigned w.e.f. 1st February, 2024 ^{^^}Ceased w.e.f. 2nd November, 2023 on account of death

^{*}Ceased to be Independent Director on account of completion of term on 31st March, 2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my 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.

For P. C. Shah & Co.,
(Formerly known as 'M/s. P. P. Shah & Co.')
Company Secretaries
Unique ICSI ID No.: S2023MH955400

Punit Shah
Proprietor

ACS No: 20536, COP No: 7506

UDIN: A020536F000490522

Peer Review: 666/2020

Date: 29th May, 2024

Place: Mumbai



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year ended 31st March, 2024.

Place: Mumbai
Date: May 29, 2024

Kunal Mutreja
Whole Time Director - CEO
DIN: 07022857

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

Certificate under Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned, in our respective capacities as Chief Financial Officer and Chief Executive Officer of Valson Industries Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2024 and that to the best of our knowledge and belief, we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.
- C. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct as adopted by the Company.
- D. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- E. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
1. significant changes, if any, in internal control over financial reporting during the year;
 2. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Varun S. Mutreja
Director - Chief Financial Officer
DIN: 07022832

Kunal S. Mutreja
Director - Chief Executive Officer
DIN: 07022857

Place: Mumbai
Date: May 29, 2024



**PRACTICING COMPANY SECRETARY'S CERTIFICATE
ON COMPLIANCE OF CORPORATE GOVERNANCE**

To

The Members of Valson Industries Limited

1. I, Mr. Punit Shah of M/s. P. C. Shah & Co., Practicing Company Secretaries, the Secretarial Auditors of Valson Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I have examined the secretarial and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the Listing Regulations during the financial year ended 31st March, 2024.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For P. C. Shah & Co.,
(Formerly known as 'M/s. P. P. Shah & Co.')**
Company Secretaries

Unique ICSI ID No.: S2023MH955400

**Punit Shah
Proprietor**

ACS No: 20536, COP No: 7506

UDIN: A020536F000490522

Peer Review: 666/2020

Date: 29th May, 2024

Place: Mumbai



INDEPENDENT AUDITOR'S REPORT

To the Members of,

VALSON INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

I. Opinion

We have audited the Financial Statements of **VALSON INDUSTRIES LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

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

II. Basis for Opinion

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

III. Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Inventory Existence:</p> <p>The inventory's carrying value in the Balance Sheet as at March 31, 2024 is Rs.1204.52 lakhs. The inventory of the Company is held across various locations including its Plants and Sales Depots.</p> <p>We focussed on this matter because of the:</p> <ul style="list-style-type: none"> • significance of the inventory balance to the statement of financial position • Complexity involved in determining inventory quantity on hand due to the number and diversity of inventory items at the manufacturing locations. 	<p>We have performed the following procedures with respect to the inventory:</p> <p>We attended inventory counts at select places in the manufacturing locations. Where locations were not attended we tested certain controls over inventory existence across the Company.</p> <p>For locations attended we performed the following procedures:</p> <ul style="list-style-type: none"> • Selected a sample of inventory items and compared the quantities we counted to the quantities recorded • Observed a sample of management's inventory count procedures to assess compliance with the Company policy. • Made enquiries regarding obsolete inventory items and looked at the condition of items counted. • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. <p>There were no significant exceptions noted from these procedures. We tested a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold. We did not identify any exceptions.</p>

IV. Information other than the Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditor's report thereon.

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

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

V. Management's and Board of Directors' Responsibility for the Financial Statements

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

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

The respective Board of Directors of the company are also responsible for overseeing the financial reporting process of the Company.

VI. Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may



cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

VII. Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 26(II) to the Financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as 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 (iv) (a) and (iv) (b) contain any material mis-statement.
- v. During the financial year, no dividend was declared or paid by the Company, accordingly reporting in compliance with Section 123 of the Act is not applicable.
- 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 audit trail feature being tampered with.
- C) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For BASTAWALA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 121789W**

**Harsh Parekh
PARTNER**

**MEMBERSHIP NO. 148354
UDIN: 24100468BKETIH9034**

**Place: Mumbai
Date: May 29, 2024.**



Annexure - A to the Independent Auditors' Report
[Referred to in paragraph VII (1) of our report of even date]

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of **VALSON INDUSTRIES LIMITED** on the Financial Statements for the year ended March 31, 2024, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and Equipment (PPE).
The company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, there is a regular programme of verification of PPE adopted by the Management whereby part of PPE was verified during the year. In our opinion the programme of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favor of the lessee) disclosed in the financial statements, **Note no. 3**, are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its PPE or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified at reasonable intervals during the year by the Management. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, there is no material discrepancy noticed between the quarterly returns or statements filed by the Company with such banks and in the books of account of the Company.
- (iii) According to the information and explanation given to us, the company has not made any investment, 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 and hence in our opinion reporting under paragraph 3, clause (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and security provided by it.
- (v) In our opinion and according to the information and explanations given to us, the Company has accepted deposits and the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with.
- (vi) We have broadly reviewed the Cost records maintained by the company which have been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, in respect of the Company's products to which the said rules are made applicable, 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 determine whether they are accurate.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, cess and any other statutory dues with the appropriate authorities
According to the information and explanations given to us, no undisputed amounts payable in respect of any of the above statutory dues were in arrears, as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty or value added tax, which have not been deposited on account of any dispute. The disputed statutory dues aggregating to Rs.2.39 lakhs of Textile Cess, that has not been deposited on account of matter pending before appropriate authority is as under:

Sr. No.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount (Rs. Lakhs)
1.	Textiles Committee Act	Textiles Cess	Textiles Committee	FY 2001 – 02 to 2005 – 06	2.39

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- The company does not have any subsidiary, associate or joint venture, accordingly paragraph 3, clause (ix)(e) and (ix)(f) of the order is not applicable.
- (x) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Further the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3, clause (x) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As information and explanation given to us, there are no whistle Blower complaints received by the Company during the year.
- (xii) As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard (Ind. AS) 24, Related Party Disclosures.
- (xiv) (a) According to the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3, clause (xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us the company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 clause (xvi)(a) and (xvi)(b) of the Order is not applicable.
- The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3, clause (xvi)(c) and (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.



- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3, clause (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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) According to the information and explanation given to us and on the basis of our audit procedures. The Corporate Social Responsibility (CSR) contribution u/s 135 of the Act is not applicable to the Company. Accordingly, paragraph 3, clause (xx)(a) and (xx)(b) of the Order is not applicable.

**For BASTAWALA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 121789W**

**Harsh Parekh
PARTNER**

**Place: Mumbai
Date: May 29, 2024.**

**MEMBERSHIP NO. 148354
UDIN: 24100468BKETIH9034**

Annexure - B to the Independent Auditors' Report on the Financial Statements of Valson Industries Limited for the year ended 31 March 2024

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013.

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Valson Industries Limited of even date)

Opinion

We have audited the internal financial controls with reference to Financial Statements of **Valson Industries Limited (hereinafter referred to as "the Company")** as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of such internal financial controls, 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 with reference to Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with Reference to Financial Statements

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

**For BASTAWALA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 121789W**

**Harsh Parekh
PARTNER**

**Place: Mumbai
Date: May 29, 2024.**

**MEMBERSHIP NO. 148354
UDIN: 24100468BKETIH9034**



Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Non Current Assets			
a Property ,Plant and Equipment	3	2,863.44	2,786.49
b Capital work-in-progress	3	-	19.96
c Other Intangible Assets	3	3.08	2.14
d Intangible Assets - under development	3	24.30	20.70
e Financial Assets			
(i) Other Financial Assets			
Deposit	5(i)	51.33	46.88
f Other Non Current Assets	6(i)	7.17	24.01
Total Non Current Assets (A)		2,949.32	2,900.18
2 Current Assets			
a Inventories	7	1,204.52	1,157.29
b Financial Assets			
(i) Trade Receivable	8	797.24	935.75
(ii) Cash and cash equivalents	9	100.78	101.44
(iii) Bank balances other than (ii) above	10	30.87	26.47
(iv) Loans	4	28.37	48.43
(v) Other Financial Assets	5(ii)	86.92	90.06
c Other Current Assets	6(ii)	314.16	266.47
Total Current Assets (B)		2,562.86	2,625.91
Total Assets (A)+(B)		5,512.18	5,526.09
EQUITY AND LIABILITIES			
1 Equity			
a Equity Share Capital	11	766.08	766.08
b Other Equity	12	1,925.15	1,820.83
Total Equity (A)		2,691.23	2,586.91
Liabilities			
2 Non-Current Liabilities			
a Financial Liabilities			
(i) Borrowings	13 (i)	771.02	536.91
b Provisions	14 (i)	91.70	79.67
c Deferred Tax Liabilities (net)	15	222.95	273.37
Total Non Current Liabilities (A)		1,085.68	889.96
2 Current Liabilities			
a Financial liabilities			
(i) Borrowings	13 (ii)	931.03	1,102.78
(ii) Trade Payables	16		
a) Total Outstanding dues of Micro & Small Enterprises		113.20	130.57
b) Total Outstanding dues other than Micro & Small Enterprises		315.68	418.77
(iii) Other Financial Liabilities	17	257.02	275.86
b Provisions	14 (ii)	5.36	9.73
c Other Current Liabilities	18	112.99	111.51
Total Current Liabilities (B)		1,735.27	2,049.22
Total Equity and Liabilities (A)+(B)		5,512.18	5,526.09
Significant accounting policies and notes on Financial statements	1 to 26		

As per our attached report of even date

For and on Behalf of the Board
Valson Industries Limited

For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Suresh N. Mutreja
Chairman & MD
DIN No : 0052046

Varun S Mutreja
Director & CFO
DIN No : 7022832

Harsh Parekh
Partner
Membership No.: 148354

Kunal S. Mutreja
Director & CEO
DIN No : 7022857

Neeti Alwani
Company Secretary

Place : Mumbai
Date : 29th May, 2024



Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	19	12,457.65	13,044.66
II Other income	20	54.42	51.56
III Total Income		12,512.07	13,096.22
IV Expenses			
Cost of materials consumed	21	7,775.48	8,123.32
Changes in inventories of finished goods	22	(155.34)	58.45
Employee benefits expense	23	1,424.22	1,425.51
Finance costs	24	134.18	128.82
Depreciation and Amortisation expense	3	255.51	272.61
Other expenses	25	3,032.30	3,051.69
Total expenses		12,466.34	13,060.41
V Profit/(Loss) before tax		45.73	35.81
VI Tax expense			
Current tax		-	-
Deferred tax		52.48	(34.01)
		52.48	(34.01)
VII Profit/(Loss) after tax		98.21	1.80
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of the defined benefit plans		8.17	9.00
(ii) Income tax relating to items that will not be reclassified to Profit or Loss			
Income Tax on Remeasurement of defined benefit Liability		(2.06)	(2.50)
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		-	-
Total Other Comprehensive Income		6.11	6.50
IX Total Comprehensive Income for the year		104.32	8.30
X Earnings per equity share (of Rs. 10/- each)			
Basic and Diluted		1.28	0.02
Significant accounting policies and notes on Financial statements	1 to 26		

As per our attached report of even date

For and on Behalf of the Board

Valson Industries Limited

For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Suresh N. Mutreja
Chairman & MD
DIN No : 0052046

Varun S Mutreja
Director & CFO
DIN No : 7022832

Harsh Parekh
Partner
Membership No.: 148354

Kunal S. Mutreja
Director & CEO
DIN No : 7022857

Neeti Alwani
Company Secretary

Place : Mumbai
Date : 29th May, 2024

**Cash Flow Statement for the year ended March 31, 2024**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	45.73	35.81
Adjustment		
Interest received	(22.26)	(16.63)
Depreciation	255.51	272.61
Loss/(Profit) on sale of Fixed Assets	(2.48)	0.73
Interest Paid	134.18	128.82
Working Capital Adjustments		
(Increase)/Decrease in current Assets	93.96	12.08
Increase/(Decrease) in current liabilities	(134.03)	(200.27)
Increase/(Decrease) in Non current liabilities	12.03	8.55
(Increase)/Decrease in Inventories	(47.23)	(51.80)
Cash from Operating Activities	335.40	189.90
Less: Taxes paid		-
Net Cash generated/(used) from Operating Activities	A 335.40	189.90
Cash Flow From Investing Activities:		
Capital Expenditure on Fixed Assets	(322.58)	(36.73)
Sales Proceeds of Fixed Assets	8.03	1.77
Non Current Loan And Advances	12.39	10.16
Current Loan And Advances	20.06	(8.12)
Fixed Deposits with Banks	(4.40)	0.56
Interest Income	22.26	16.62
Net Cash generated/(used) from Investing Activities	B (264.24)	(15.73)
Cash Flow From Financing Activities:		
Loan Accepted	214.05	107.80
Loan Repaid	(78.25)	(98.50)
Net Increase/ (decrease) of long term borrowing	98.32	(62.17)
Net Increase/ (decrease) of short term borrowing	(171.76)	106.75
Finance Cost	(134.18)	(128.82)
Net Cash generated/(used) from Financing Activities	C (71.82)	(74.95)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(0.66)	99.22
Add: Cash & Cash Equivalents (Opening)	101.44	2.22
Cash and Cash Equivalents (Closing)	100.78	101.44
Cash and cash Equivalents includes:		
Cash on hand	0.74	1.36
Bank Balances	100.04	100.09
	100.78	101.44

As per our attached report of even date

For and on Behalf of the Board

Valson Industries Limited

For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Suresh N. Mutreja
Chairman & MD
DIN No : 0052046

Varun S Mutreja
Director & CFO
DIN No : 7022832

Harsh Parekh
Partner
Membership No.: 148354

Kunal S. Mutreja
Director & CEO
DIN No : 7022857

Neeti Alwani
Company Secretary

Place : Mumbai
Date : 29th May, 2024



Notes to Financial Statements for the Year ended 31st March, 2024

Note 1: Corporate information:

Valson Industries Limited was incorporated on 2nd June, 1983 with Registrar of Companies, Maharashtra State. Its processing manufacturing Units are located at Vapi in Gujarat and Silvassa in UT. Dadra Nagar & Haveli and Daman & Diu. Its shares are listed on Bombay Stock Exchange. The Company is engaged in Texturising, Twisting of Polyester yarns and Dyeing of Polyester, Cotton and other fancy Yarns. The company has its registered office and principal place of business at 28, Building no. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri-(East), Mumbai 400 059.

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

Note 2: Significant Accounting Policies Accounting Judgements, Estimates and Assumptions:

(A) Significant accounting policies:

2.1 STATEMENT OF COMPLIANCE

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

These financials statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

2.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.3 CURRENT/ NON-CURRENT CLASSIFICATION OF ASSETS AND LIABILITIES:

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
 - o All other assets are classified as non-current.
 - o A liability is considered as current when:
 - It is expected to be settled in normal operating cycle,
 - It is held primarily for the purpose of trading,
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
 - o All other liabilities are classified as non-current.
 - o Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating Cycle is the time between the acquisition of assets for business purposes and their realisation into cash and cash equivalents. The Company has considered an operating cycle of 12 months.

Notes to Financial Statements for the Year ended 31st March, 2024**2.4 USE OF ESTIMATES:**

The presentation of financial statements is in conformity with the recognition and measurement principles of IndAS which requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

2.5 REVENUE FROM CONTRACTS WITH CUSTOMERS:

The Company derives revenues primarily from sale of manufactured goods and related services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
Or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Interest Income:

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

2.6 PROPERTY, PLANT AND EQUIPMENT:

Property, Plant and Equipment are recorded at their cost of acquisition, net of indirect taxes, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 or Loss when the asset is derecognised.

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major inspection/ repairs/ overhauling expenses are recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.



Notes to Financial Statements for the Year ended 31st March, 2024

2.7 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

2.8 DEPRECIATION:

Depreciation on Property, Plant and Equipment is provided on Straight Line Method basis in accordance with the provisions of Schedule II to the Companies Act, 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

2.9 Intangible Assets and amortisation thereof:

The cost relating to Intangible assets, with finite useful lives, which are capitalised and amortised on a straight line basis over a period of five years, are based on their estimated useful lives.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Impairment of Property Plant & Equipment and Intangible Assets:

The carrying amount of assets are reviewed at each balance sheet date to assess, whether there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater than the assets net selling price and value in use.

During the year there is no impairment of the assets.

2.11 INVENTORIES:

Inventories are valued at lower of Cost or Net Realizable value after providing obsolescence and damages.

- a) In case of raw material and components, cost represents purchase price and other costs incurred for bringing inventories up to their present location and condition and is determined on weighted average cost basis.
- b) In case of finished goods and work-in-process, cost represents the cost of raw materials and other cost incurred for bringing inventories up to their present location and condition.
- c) In case of Stores and Spares, Fuel & Packing Materials cost represents the cost of materials and other cost incurred for bringing inventories up to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business.

2.12 Financial Instruments:

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

(i) Financial Assets:

Initial Recognition and Measurement:

All financial assets are recognised initially at fair value. 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 are included therein.

Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Notes to Financial Statements for the Year ended 31st March, 2024

- Investments measured at fair value through Profit & Loss (FVTPL)

Financial Assets at Amortised Cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

Financial Assets at FVTPL

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial assets are measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) 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.

Impairment of financial assets

The company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

Financial assets at amortised cost.

Trade Receivables

The company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognising impairment loss allowance based on 12-month ECL.



Notes to Financial Statements for the Year ended 31st March, 2024

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the Statement of Profit and Loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

ii) Financial Liabilities:

Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings.

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

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

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

2.13 BORROWING COST:

Borrowing costs comprising of interest and other costs that are incurred in connection with the borrowing of funds that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of profit and loss in the year in which they are incurred.

2.14 EMPLOYEE BENEFITS:

Short term employee benefits:

All employee benefits falling due wholly within 12 months of rendering the services are classified as short term employee benefits and are recognised as an expense in the period in which the employee renders the related services.

Notes to Financial Statements for the Year ended 31st March, 2024**Post - Employment benefits:****Defined Contribution Plan**

The company's contribution towards the provident fund and the social securities for certain eligible employees are considered to be defined contribution plans as the company does not carry any further obligations apart from the contributions made on a monthly basis.

Defined Benefit Plan

Liabilities towards Defined Benefit Schemes viz. Gratuity benefits are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit and Loss.

2.15 LEASES:

The Company has adopted Ind AS 116 effective from 1st April, 2019 using modified retrospective approach. For the purpose of preparation of Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31st March, 2020. As per the modified retrospective approach, the Company is not required to restate comparative information, instead, the cumulative effect of initially applying this standard can be recognised as an adjustment to the opening balance of retained earnings as on 1st April, 2019.

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

- a) the contact involves the use of an identified asset;
- b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- c) the Company has the right to direct the use of the asset.

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

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; The lease liability is measured at amortised cost using the effective interest method.

The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company has entered into long term leases which are expected to be surrendered shortly and on account of which the same are also considered as short term lease. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.16 TAXES ON INCOME:**Current Income Taxes:**

Current income tax liabilities are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.



Notes to Financial Statements for the Year ended 31st March, 2024

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.17 TRANSACTIONS IN FOREIGN CURRENCY:

The functional currency of the company is the Indian Rupee.

Transactions in foreign currencies are initially recorded at their respective custom announced rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the custom announced rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

2.18 PROVISIONS AND CONTINGENT LIABILITY:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects part or entire provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to Financial Statements for the Year ended 31st March, 2024

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the Financial Statements.

2.19 GOVERNMENT GRANTS, SUBSIDIES:

Grant from Government under Technology Up-gradation Fund Scheme (TUFS) is recognised at fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached condition.

2.20 SEGMENT REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Director of the Company has been identified as being the Chief Operating Decision Maker (CODM) by the management of the Company.

As the Company's business activity falls within a single business segment viz. 'Yarns' and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Accounting Standard 108 "Segment Reporting", notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.21 EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

2.22 CASH AND CASH EQUIVALENT:

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

2.23 CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.24 COMMITMENTS:

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital account and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.25 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

Estimates, Assumptions and Judgments:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial



Notes to Financial Statements for the Year ended 31st March, 2024

statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Estimation of current tax expense and deferred tax:

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Recognition of deferred tax assets/ liabilities:

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

c) Estimation of Provisions & Contingent Liabilities:

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision

d) Estimated useful life of Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected residual value at the end of its life. The useful lives, usage pattern and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

e) Estimation of Provision for Inventory:

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the carrying value may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

f) Estimation of Defined Benefit Obligation:

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post-employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

g) Estimated fair value of Financial Instruments.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Notes Forming Part of Ind - AS Financial Statements

3 Property Plant and Equipment

(₹ in Lakhs)

Particulars	Land		Buildings/Premises				Plant & Machineries				Others				Total	Capital WIP		Total
	Freehold Land	Leasehold Land	Factory Building	Staff Quarters	Office Premises*	Basic Machineries	Utility Ancillary Equipments	Electrical Installation	Office Equipments	Computer	Vehicles - Car	Vehicles - Scooter	Furniture & Fixtures	Tangible Intangible Asset		Intangible Assets	Software	
Cost or deemed cost																		
Balance at April 1, 2022	25.12	192.41	1,161.08	208.54	34.60	2,278.18	229.32	217.52	50.05	19.46	109.58	1.68	64.03	4,591.55	168.49	11.89	4,771.93	
Additions	-	-	34.27	-	-	246.29	33.73	4.79	3.95	2.06	18.59	-	0.05	343.73	-	-	343.73	
Disposals	-	(188.30)	-	-	-	(14.41)	-	-	(14.03)	(12.16)	(228.90)	-	-	(228.90)	-	-	(228.90)	
Balance at March 31, 2023	25.12	4.11	1,195.35	208.54	34.60	2,510.06	263.05	222.31	54.00	7.49	116.02	1.68	64.09	4,706.39	168.49	11.89	4,886.76	
Additions	-	-	3.57	-	-	270.58	16.97	2.11	6.31	1.83	30.65	-	2.71	334.73	3.60	1.17	339.50	
Disposals	-	-	-	-	-	(20.67)	(8.35)	-	-	-	(20.30)	-	-	(49.31)	(19.96)	-	(69.27)	
Balance at March 31, 2024	25.12	4.11	1,198.92	208.54	34.60	2,759.97	271.67	224.42	60.31	9.33	126.37	1.68	66.80	4,991.81	152.13	13.05	5,156.99	
Accumulated Depreciation/ Amortisation and Impairment																		
Balance at April 1, 2022	-	12.54	405.52	15.67	13.37	2,606.34	306.31	240.67	58.35	62.38	113.44	-	63.01	3,897.61	-	39.76	3,937.36	
Depreciation / Amortisation Expense	-	178.45	-	-	-	0.72	-	-	-	0.65	1.86	-	-	181.68	-	-	181.68	
Balance at March, 2023	-	191.00	405.52	15.67	13.37	2,607.06	306.31	240.67	58.35	63.03	115.30	-	63.01	4,079.29	-	39.76	4,119.05	
Addition of Depreciation/ Amortisation Expense	-	-	-	-	-	20.67	8.35	-	-	-	20.30	-	-	49.31	-	-	49.31	
Reversal of Depreciation/ Amortisation Expense	-	-	-	-	-	(19.60)	(7.93)	-	-	-	(19.28)	-	-	(46.81)	-	-	(46.81)	
Balance at March, 2024	-	191.00	405.52	15.67	13.37	2,608.12	306.73	240.67	58.35	63.03	116.32	-	63.01	4,081.79	-	39.76	4,121.55	
Carrying amounts of :																		
Balance at April 1, 2022	25.12	182.21	919.92	194.53	30.46	1,245.82	117.83	57.89	16.65	8.12	57.44	1.68	38.55	2,896.25	168.49	2.93	3,067.67	
Additions	-	-	34.27	-	-	246.29	33.73	4.79	3.95	2.06	18.59	-	0.05	343.73	17.77	-	361.50	
Disposals	-	(188.30)	-	-	-	(14.41)	-	-	(14.03)	(12.16)	(228.90)	-	-	(228.90)	(145.60)	-	(374.50)	
Reversal of amortise expenses	9.78	(42.56)	(42.56)	(3.38)	(0.68)	(152.13)	(19.39)	(14.60)	(6.23)	11.00	(1.21)	-	(5.18)	(224.59)	-	(0.79)	(225.39)	
Balance at March, 2023	25.12	3.70	911.63	191.15	29.78	1,325.58	132.17	48.07	14.37	7.15	62.66	1.68	33.43	2,786.49	40.66	2.14	2,829.29	
Additions	-	-	3.57	-	-	270.58	16.97	2.11	6.31	1.84	30.65	-	2.71	334.73	3.60	1.17	339.49	
Disposals	-	-	-	-	-	(20.67)	(8.35)	-	-	(0.00)	(20.30)	-	-	(49.33)	-	-	(49.33)	
Depreciation Expense	-	(0.07)	(42.83)	(3.33)	(0.69)	(153.82)	(20.50)	(7.72)	(5.81)	(2.89)	(11.66)	-	(5.96)	(255.26)	(19.96)	(0.23)	(275.45)	
Reversal of Depreciation/ Amortisation Expense	-	-	-	-	-	19.60	7.93	-	-	-	19.28	-	-	46.82	-	-	46.82	
Balance at March, 2024	25.12	3.64	872.38	187.83	29.09	1,441.27	128.22	42.46	14.87	6.09	80.63	1.68	30.17	2,863.44	24.30	3.08	2,890.82	

(a) For Capital-work-in progress / Intangible Assets under development, following ageing schedule

CWIP / Intangible Assets	Amount in CWIP / Intangible Assets under development for period				Total Amount
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Development	-	-	-	-	-
CWIP Tangible Assets	3.60	4.94	3.90	11.86	24.30
Intangible assets Software under development	3.60	4.94	3.90	11.86	24.30

(b) For Capital-work-progress/Intangible Assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following completion schedule

CWIP / Intangible Assets	Amount in CWIP / Intangible Assets under development for period				Total Amount
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Development	-	-	-	-	-
CWIP Tangible Assets	-	-	-	-	-
Intangible assets Software under development	-	-	-	-	-
Total	-	-	-	-	-
(A + B)	3.60	4.94	3.90	11.86	24.30



Notes to Financial Statements for the Year ended 31st March, 2024

4 Loans (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Employee Loans and Advances	28.37	48.43
Total	28.37	48.43

5 Other Financial Assets (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Non-Current - Deposit		
Deposits with Government Authorities	51.33	46.88
Sub Total (a)	51.33	46.88
(ii) Current		
Interest Receivable	4.58	7.72
Interest Subsidy Receivable	82.34	82.34
Sub Total (b)	86.92	90.06
Total (a) + (b)	138.25	136.94

6 Other Assets (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Non-Current		
Advances against Capital Goods	-	17.00
Deposits for Raw-materials, Utility and Service providers	7.17	7.01
Total	7.17	24.01
(ii) Current		
Advances to Other Suppliers	11.01	15.61
Prepaid expenses	14.84	16.92
Export Incentives Receivable	28.24	16.59
Advance Tax & TDS net of Provisions	70.15	37.76
Balances with government authorities	189.92	179.59
Total	314.16	266.47

7 Inventories (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials incl. in transit ₹ 7.94 lakhs (₹ 20.43 lakhs)	293.08	375.20
Finished goods	693.64	538.30
Packing Materials	85.18	95.44
Stores and Spares incl. in transit ₹ Nil (₹ 0.03 lakhs)	129.79	138.88
Coal and Diesel incl in transit ₹ 1.11 lakhs (₹ Nil)	2.83	9.47
Total	1,204.52	1,157.29

8 Trade Receivables (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, Considered good	813.48	955.15
Less: Expected Credit Loss allowance	(16.24)	(19.40)
Total	797.24	935.75

Notes to Financial Statements for the Year ended 31st March, 2024

Movement in allowance for doubtful debts	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	19.40	26.83
Allowance for doubtful debts during the year		
Reversal of allowance for doubtful debts during the year	(3.16)	(7.43)
Balance at the end of the year	16.24	19.40

Particulars	As at March 31, 2024	As at March 31, 2023
a) Trade receivable - considered good		
less than 6 months	731.15	886.11
6 months to 1 year	17.37	18.55
1 to 2 years	24.28	3.07
2 to 3 years	1.78	7.97
more than 3 years	38.89	39.45
Total	813.48	955.15
Less: Expected Credit Loss allowance	(16.24)	(19.40)
Total	797.24	935.75

9 Cash and cash equivalents (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.74	1.36
Balances with banks - Current Account	100.04	100.09
Total	100.78	101.44

10 Other Balances with Banks (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid dividend accounts	2.95	3.63
Earmarked deposits (Balances held as margin money against guarantees and other commitments. Deposits for period more than 12 months - Nil	27.92	22.84
Total	30.87	26.47

11 Share Capital
(i) Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹ In Lakhs	Number	₹ In Lakhs
Authorized				
Equity Share				
Equity Shares of ₹10/- each with voting rights	1,20,00,000	-	1,20,00,000	-
	1,20,00,000	-	1,20,00,000	-
Issued				
Equity Share				
Equity Shares of ₹10/- each with voting rights	76,60,800	766.08	76,60,800	766.08
	76,60,800	766.08	76,60,800	766.08



Notes to Financial Statements for the Year ended 31st March, 2024

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹ In Lakhs	Number	₹ In Lakhs
Subscribed and Paid up				
Equity Share				
Equity Shares of ₹10/- each with voting rights	76,60,800	766.08	76,60,800	766.08
	<u>76,60,800</u>	<u>766.08</u>	<u>76,60,800</u>	<u>766.08</u>

All of the above shares carry equal voting rights and there are no restrictions / preferences attached to any of the above share.

(ii) Reconciliation of the outstanding number of shares

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2024		As at March 31, 2023	
	Number	₹ In Lakhs	Number	₹ In Lakhs
Shares outstanding at the beginning of the year	76,60,800	766.08	76,60,800	766.08
Add : Shares Issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>76,60,800</u>	<u>766.08</u>	<u>76,60,800</u>	<u>766.08</u>

(iii) The details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share with voting rights				
Suresh N. Mutreja	16,79,500	21.92%	16,79,500	21.92%
Kunal S. Mutreja	9,00,999	11.76%	9,00,999	11.76%
Asha S. Mutreja	8,34,050	10.89%	8,34,050	10.89%
Suresh N. Mutreja HUF	4,95,200	6.46%	4,95,200	6.46%
Total	<u>39,09,749</u>	<u>51.04%</u>	<u>39,09,749</u>	<u>51.04%</u>

(iv) Shares held by the promoters at the end of the year

Name of Promoters	As at March 31, 2024		As at March 31, 2023		
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	% change
Equity Share with voting rights					
Suresh N Mutreja	16,79,500	21.92%	16,79,500	21.92%	0.00%
Kunal S Mutreja	9,00,999	11.76%	9,00,999	11.76%	0.00%
Asha S Mutreja	8,34,050	10.89%	8,34,050	10.89%	0.00%
Varun S Mutreja	3,62,200	4.73%	3,62,200	4.73%	0.00%
Ankit S Mutreja	3,39,276	4.43%	3,39,276	4.43%	0.00%
Suresh N Mutreja HUF	4,95,200	6.46%	4,95,200	6.46%	0.00%
Kunal S Mutreja HUF	1,34,000	1.75%	1,34,000	1.75%	0.00%
Shweta Varun Mutreja	1,66,609	2.17%	1,66,609	2.17%	0.00%
Tinaa Kunal Mutreja	1,57,000	2.05%	1,57,000	2.05%	0.00%
Saachi Ankit Mutreja	1,21,000	1.58%	1,21,000	1.58%	0.00%
Total	<u>51,89,834</u>	<u>67.75%</u>	<u>51,89,834</u>	<u>67.75%</u>	<u>0.00%</u>

Notes to Financial Statements for the Year ended 31st March, 2024
12 Other Equity
(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Securities Premium Reserve</u>		
Opening balance	160.54	160.54
Premium on shares issued during the year	-	-
Utilised during the year	-	-
Closing Balance	160.54	160.54
<u>General Reserve</u>		
Opening balance	364.75	364.75
Transferred from Statement of Profit and Loss	-	-
Closing Balance	364.75	364.75
<u>Surplus / (Deficit) in the Statement of Profit and Loss</u>		
Opening balance	1,263.49	1,261.69
Profit/ (Loss) for the year	98.21	1.80
Closing Balance	1,361.70	1,263.49
<u>Other Comprehensive Income</u>		
Opening balance	32.05	25.55
Remeasurement of Defined Benefit Obligation	6.11	6.50
Closing Balance	38.16	32.05
Total	1,925.15	1,820.83

13 Borrowings
(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Non-Current		
Secured :		
Term Loans from Banks	221.32	118.47
Vehicle Loans	10.60	15.13
Total Secured Loans (A)	231.92	133.61
Unsecured :		
Deposits from Directors & Related Parties (see note no. 26 V (B))	478.10	367.30
Deposits from Others	61.00	36.00
Total Unsecured Loans (B)	539.10	403.30
Total (A)+(B)	771.02	536.91
(ii) Current		
Secured :		
Facilities from Banks:		
Cash Credit & Over Draft	757.63	867.09
Working Capital Term Loan (ECLGS)	61.60	126.40
Current maturities of long-term debt		
Term Loans from Banks	107.26	102.27
Vehicle Loans	4.53	7.02
Total	931.03	1,102.78



Notes to Financial Statements for the Year ended 31st March, 2024

Nature of Security for all financial facilities

Nature of Security

- a) Primary Security: First and exclusive charge on all existing and future Current Assets including Stocks and movable fixed assets of Borrower **with Kotak Mahindra Bank**
- b) Collateral Security : Registered Mortgage on Movable and Immovable assets of Vapi Unit for Kotak Mahindra Bank, Silli Unit for HDFC Bank and Personal Guarantee of Directors to both banks

Working Capital Term Loan II funded under Emergency credit link scheme (tenure 48 months including 12 months moratorium period Rate of Interest 9.20%).

The said disbursement of WCTL had done in month of January 2022. The installment will be start from February'2023 and last installment will be on January'2026

Terms of repayment of Long term Borrowings:

(₹ In Lakhs)

Term loans from banks	Repayment in One year	Repayment in Two to three year	Repayment in more than three year
Term Loans from Banks	107.26	169.11	52.21
Term Loan III (term Loan 75 Lakhs) - repayable in 60 instalment starting from January 2020 and last instalment due on December 2025. (Rate of interest 9.20 p.a.). Term Loan IV (term Loan 50 Lakhs) - repayable in 36 instalment starting from March 2022 and last instalment due on February 2025. (Rate of interest 9.20% p.a.). Term Loan V (term Loan 150 Lakhs) - repayable in 60 instalment starting from March 2022 and last instalment due on February 2027. (Rate of interest 8.80% p.a.)			
Vehicle Loans	4.53	9.53	1.07
Vehicle loan - I , Repayable in 60 months installment starting from May 2019 and last instalment due on April 2024. (Rate of Interest 9.49% p.a. at the year end). Vehicle loan - II , Repayable in 60 months installment starting from February 2022 and last instalment due on Jnauary 2027. (Rate of Interest 7.37% p.a. at the year end). Vehicle loan - III , Repayable in 60 months installment starting from July 2022 and last instalment due on June 2027. (Rate of Interest 7.60% p.a. at the year end.)			

14 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Non-Current		
Provision for Gratuity	91.70	79.67
Total	91.70	79.67
(ii) Current		
Provision for Gratuity	5.36	9.73
Total	5.36	9.73

Notes to Financial Statements for the Year ended 31st March, 2024
15 Deferred tax liabilities (net)
(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities	261.24	308.75
Less: Deferred Tax Assets	(38.29)	(35.38)
Total	222.95	273.37

16 Trade Payables
(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Micro and Small Enterprises (Refer Note below)	113.20	130.57
Others	315.68	418.77
Total	428.88	549.34

Details of dues to MSME as per MSMED Act, 2006
(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	113.20	130.57
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (Other than interest) beyond the appointed date during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED.	-	-
Total	113.20	130.57

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Micro and Small Enterprises		
less than 1 year	113.20	130.57
1 to 2 years	-	-
2 to 3 years	-	-
more than 3 years	-	-
Total	113.20	130.57
b) Others		
less than 1 year	309.42	405.86
1 to 2 years	2.70	3.89
2 to 3 years	1.02	6.01
more than 3 years	2.53	3.01
Total	315.68	418.77



Notes to Financial Statements for the Year ended 31st March, 2024

17 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Interest accrued but not due	6.08	2.78
Unpaid Dividend	2.95	3.63
Deposits From Customers	2.00	-
Others Payables	245.99	269.46
Total	257.02	275.86

18 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Liabilities	79.79	65.59
Advances from Customers	33.20	35.92
Payable for Capital Goods	-	9.99
Total	112.99	111.51

19 Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Sale of Manufactured Goods (Texturised, Twisted, Dyed & Fancy Yarn)		
Domestic Sales	9,548.52	10,375.79
Export Sales	1,711.99	1,463.78
	11,260.50	11,839.57
b) Processing Charges (Texturising, Twisting & Dyeing)	1,106.77	1,127.01
c) Sale of Waste Yarn	16.77	19.23
Sub Total (a)+(b)+(c)	12,384.04	12,985.81
d) Other Operating Revenue Export Incentives	73.61	58.85
Total	12,457.65	13,044.66

20 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Interest received	22.26	16.62
(ii) Sundry balances written back	6.10	1.50
(iii) Foreign exchange fluctuation gain	11.38	21.58
(iv) Profit on sale of PPE (Compressor)	2.48	-
(iv) Other Misc Income	9.04	4.43
(iv) ECL Reversal	3.16	7.43
Total	54.42	51.56

Notes to Financial Statements for the Year ended 31st March, 2024
21 Cost of Materials Consumed
(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Indigenous		
Opening stock	375.20	348.70
Add: Purchases	7,693.36	8,149.82
	8,068.55	8,498.52
Less: Closing stock	293.08	375.20
Total	7,775.48	8,123.32

22 (Increase)/Decrease In Inventories of Finished Goods
(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Inventories	538.30	596.76
Less: Closing Inventories	693.64	538.30
Total	(155.34)	58.45

23 Employee benefit expenses
(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and Wages	1,272.80	1,296.80
Contributions to Provident fund / ESIC & LWF	121.74	101.54
Staff welfare expenses	29.67	27.17
Total	1,424.22	1,425.51

24 Finance Cost
(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses (effective interest rate method):		
Financial liabilities measured at amortised cost		
On Term Loans	24.98	27.15
On Working Capital, Working Capital Term Loan. Packing Credit (PCFC) & Overdraft Facility	61.99	63.98
On Unsecured Loans & Others	47.21	37.70
Total	134.18	128.82



Notes to Financial Statements for the Year ended 31st March, 2024

25 Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<u>Manufacturing Expenses:</u>		
Repairs - Buildings	2.86	3.95
Repairs - Others	72.37	56.25
<u>Stores and spares consumed:</u>		
Indigenous	147.67	76.98
Packing Materials	484.52	543.07
Power and fuels	1,380.72	1,463.04
Machinery Repairs and maintenance	6.06	4.69
Processing & Labour Charges	338.50	236.66
Security Charges	32.74	29.97
Factory Expenses	28.16	32.87
<u>Administrative & Selling Expenses:</u>		
Freight and forwarding	194.72	242.38
Advertisement & Business Promotion expenses	20.17	6.11
Rent, Rates & Taxes	11.10	13.21
Insurance	7.29	21.09
Travelling & Conveyance	36.95	33.98
Printing and stationery	12.52	11.26
Bank Charges & Commission	6.78	5.10
Postage, Telephone and Courier Charges	8.92	8.86
Vehicle Maintenance Exps	28.68	26.88
Sales Tax	2.20	-
Loss on Sale of Fixed Assets	-	0.73
Loss Due to Surrender of Plot	-	36.65
Office Electricity	5.00	4.97
Legal and professional fees	57.60	46.23
Director's Remuneration	117.89	116.97
Director's Sitting Fees	3.20	3.20
<u>Payments to Auditors</u>		
Statutory Audit Fees	4.00	4.00
Certification fees	0.50	0.30
	4.50	4.30
Miscellaneous Expenses	21.19	22.31
Total	3,032.30	3,051.69

Notes to Financial Statements for the Year ended 31st March, 2024
Note 26: Other Notes to Accounts
I. Estimated Amount of Contracts Remaining to be Executed:

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for.		
a) Tangible Assets	NIL	50.00
b) Intangible Assets		1.80
c) Advance given to Suppliers of the Capital Goods/Assets is shown in other current Assets pending to be capitalized and will be capitalized on completion/commencement of Productions	NIL	17.00
Derivatives Contracts entered into by the company for hedging and outstanding as on 31/03/2024:		
Forward Contracts	NIL	NIL
PCFC Facilities	NIL	NIL

II. Contingent Liabilities in respect of:

(₹ in Lakhs)

Sr.	Particulars	31 March, 2024	31 March, 2023
A)	Claims against the Company not acknowledged as debts:	2.39	2.39
B)	Penalty for non-compliance of BSE Ltd.	4.77	4.77

III. Earnings Per Share:

Particulars	31 March, 2024	31 March, 2023
Profit /(Loss) after Tax (₹ in lakhs)	98.21	1.80
Weighted Average number of Equity Shares (Shares in Lakhs)	76.608	76.608
Nominal Value per Share (Amount in ₹)	10	10
Earnings per Share (of ₹ 10/- each)	1.28	0.02

IV. Employee Benefits: As per Ind AS-19, "Employee Benefits", the disclosure of employee benefits is given below:

A. Defined Contribution Plans:

"Contribution to Provident and other funds" is recognised as an expense in "Employee Benefit Expenses" of the Statement of Profit and Loss.

B. Defined Benefit Plan

The company provides gratuity benefits to its employees as per the statute. Present value of gratuity obligation (Non-Funded) based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences (Non-funded) is recognized in the same manner as gratuity.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2024:

i. Actuarial Assumptions as at	31/Mar/2024	31/Mar/2023
Mortality Rate	IALM (2012-14)	IALM (2012-14)
Discount Rate	7.20%	7.50%
Salary escalation rate	4.00%	4.50%
Rate of return (expected) on plan assets	-	-
Attrition rate	1% throughout	1% throughout
Benefits (As per Act) with Limit	20,00,000.00	20,00,000.00
Retirement age	60.00	60.00
Expected average remaining service	23.93	24.36



Notes to Financial Statements for the Year ended 31st March, 2024

ii. Data Information	31/Mar/2024	31/Mar/2023
Number of members	509	648
Total monthly salaries (₹ In Lakhs)	67.67	69.02
Average Monthly Salaries	13,294.00	10,651.00
Average age	37.07 years	35.64 years
Average Service (years)	3.55	2.93
iii. Changes in present value of obligations	31/Mar/2024	31/Mar/2023
PVO at beginning of year	89.40	80.48
Interest cost	6.71	5.88
Current service cost	19.33	19.33
Benefits Paid	(10.21)	(7.29)
Actuarial (gain)/loss on obligation	(8.17)	(9.00)
PVO at end of year (all Units together)	97.06	89.40
iv. Bifurcation of Actuarial losses (gains)	31/Mar/2024	31/Mar/2023
Actuarial losses (gains) arising from change in financial assumptions	(2.402)	(2.06)
Actuarial losses (gains) arising from change in demographic assumptions	-	-
Actuarial losses (gains) arising from experience adjustments	(5.763)	(6.94)
Actuarial losses (gains) - Total	(8.165)	(9.002)
v. Amounts to be recognized in the balance sheet and statement of profit & loss	31/Mar/2024	31/Mar/2023
PVO at end of year	97.06	89.40
Fair Value of Plan Assets at end of year	-	-
Funded Status	(97.06)	(89.40)
Unrecognized Actuarial (gain)/loss	-	-
Net Asset/(Liability) recognized in the balance sheet	(97.06)	(89.40)
vi. Expense recognized in the statement of profit & loss	31/Mar/2024	31/Mar/2023
Current Service Cost	19.326	19.33
Interest cost	6.705	5.88
Expense recognized in the statement of P & L	26.031	25.21
vii. Other comprehensive income recognized	31/Mar/2024	31/Mar/2023
Actuarial losses on Liability	(8.165)	(9.00)
Return on Plan Assets excluding amount included in 'Net interest on net Defined Liability / (Asset)' above	-	-
Total	(8.165)	(9.00)
viii. Movements in the Liability recognized in Balance Sheet	31/Mar/2024	31/Mar/2023
Opening Net Liability	89.40	80.48
Expenses as above (net)	17.87	16.21
Contribution paid	(10.21)	(7.29)
Closing Net Liability	97.06	89.40

Notes to Financial Statements for the Year ended 31st March, 2024

ix. Break up of total liabilities as per Revised Schedule VI of Companies Act.	31/Mar/2024	31/Mar/2023
Current liabilities.	5.36	9.73
Non-current liability	91.70	79.67
Total liability	97.06	89.40

x. Experience History Information:	31/Mar/2024	31/Mar/2023
Defined benefit obligation at end of period	97.06	89.40
Plan Assets at end of period (No Fund)	-	-
Funder status - Surplus / (Deficit)	97.06	89.40
Actuarial (gain) /loss due to change in basis	-	-
Actuarial (gain) /loss due to experience	(8.165)	(9.00)
Total Actuarial (gain) / loss in liabilities.	(8.165)	(9.00)
Experience (gain)/loss in plan assets	-	-

xiii. There is no contribution under defined contribution plans and defined benefit plans in respect of Key Management Personnel.

xiv. Risks associated with defined benefit plan:

Gratuity is a defined plan and company is exposed to the following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on pay as you go basis from our own funds.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

xv. Expected future benefit payments:

The following is the maturity profile of the benefit expected to be paid for each of the next five years and the aggregate five years thereafter:

(₹ in Lakhs)

Year Ending 31st March	31 March, 2024	31 March, 2023
Year (I)	5.358	9.729
Year (II)	5.517	2.704
Year (III)	3.438	4.747
Year (IV)	6.220	3.419
Year (V)	3.386	4.253
Next 5 year Payouts (6-10 years)	41.454	22.994

xvi. Sensitivity Analysis:

The Sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation. As it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.



Notes to Financial Statements for the Year ended 31st March, 2024

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in Lakhs)

Sensitivity Analysis						
Assumptions	Discount rate		Salary Escalation rate		Withdrawal rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation						
Current Year	(10.05)	12.07	12.35	(10.43)	3.54	(4.21)
Previous Year	(8.66)	10.54	10.74	(8.95)	2.94	(3.57)

The sensitivity analysis presented above may not be representative of the actual change in the defined obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the project unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

V. Related Party Information:

A. List of Related Parties with whom Transactions have taken place during the Year:

Key Management Personnel (KMP)	Mr. Suresh N. Mutreja - (Chairman & Managing Director) Mr. Varun S. Mutreja - (Director & CFO) Mr. Kunal S Mutreja - (Director & CEO) Mrs. Asha S Mutreja – (Women Director)@ retired on 1 st February 2024
Director	Mr. Pradip C. Shah - (Independent Director)* ceased on 2 nd November, 2023 Mr. Chandan S. Gupta – (Independent Director)# ceased on 31 st March 2024 Mr. Surendra Kumar Suri – (Independent Director) # ceased on 31 st March 2024 Mr. Amit Singh - (Independent Director)
Relative of KMP	Mrs. Sheeladevi Mutreja - Mother of Chairman & Managing Director Mr. Ankit S. Mutreja – Son of Chairman & Managing Director Mrs. Tina K. Mutreja – Daughter in Law of Chairman & Managing Director Mrs. Shweta Mutreja - Daughter in Law of Chairman & Managing Director Mrs. Saachi A. Mutreja – Daughter in Law of Chairman & Managing Director Miss Avyana Mutreja- Grand Daughter of Chairman & Managing Director Mr. Lalit N. Mutreja – Brother of Chairman & Managing Director Mr. Vinod N. Mutreja – Brother of Chairman & Managing Director Mr. Nitesh N. Mutreja – Nephew of Chairman & Managing Director Miss Rashi Lalit Mutreja – Niece of Chairman & Managing Director Suresh N Mutreja HUF – Chairman & Managing Director is Karta Kunal S Mutreja HUF – Karta - Son of Chairman & Managing Director Varun S Mutreja HUF – Karta - Son of Chairman & Managing Director Ankit S Mutreja HUF – Karta - Son of Chairman & Managing Director Lalit N. Mutreja HUF – Karta - Brother of Chairman & Managing Director Mr. Punit P. Shah - (Son of Independent Director)*

@ she resigned due to health problem * He ceased due to death # the ceased on account of completion of their permissible term

Notes to Financial Statements for the Year ended 31st March, 2024
B. Transactions with Related Parties:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel / Director	Independent Directors	Total
1	Rent and Maintenance charges	Nil	Nil	Nil	Nil
		Nil	(4.20)	Nil	(4.20)
2	Packing Materials, Labour Charges & Transport Charges	Nil	316.47	Nil	316.47
		Nil	(357.74)	Nil	(357.74)
3	Remuneration	117.89	10.00	Nil	127.89
		(116.97)	(9.20)	Nil	(126.17)
4	Interest Payment	15.18	22.26	Nil	37.44
		(11.45)	(19.04)	Nil	(30.49)
5	Directors Sitting Fees	Nil	Nil	3.20	3.20
		Nil	Nil	(3.20)	(3.20)
6	Professional Fees	Nil	2.25	Nil	2.25
		Nil	(3.00)	Nil	(3.00)
7	Brokerage & Commission	Nil	3.52	Nil	3.52
		Nil	(3.81)	Nil	(3.81)
8	Sales and Processing charges	Nil	88.83	Nil	88.83
		Nil	(153.83)	Nil	(153.83)
9	Balances as on 31.03.2024				
	i) Rent and Maintenance Charges	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
	ii) Amount due to Director	Nil	Nil	Nil	Nil
		(4.88)	(0.64)	Nil	(5.52)
	iii) Interest due to Director	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
	iv) Packing Materials	Nil	39.94	Nil	39.94
		Nil	(52.14)	Nil	(52.14)
	v) Brokerage & Commission	Nil	0.61	Nil	0.61
		Nil	(0.56)	Nil	(0.56)
	vi) Sales & Processing Charges	Nil	Nil	Nil	Nil
		Nil	(8.25)	Nil	(8.25)
	vii) Professional Fees	Nil	Nil	Nil	Nil
		Nil	(0.40)	Nil	(0.40)
10	Deposits				
	Opening Balance	128.50	238.80	Nil	367.30
	Accepted during the year	41.50	80.80	Nil	122.30
	Repaid during the year	1.50	10.00	Nil	11.50
	Closing balance	168.50	309.60	Nil	478.10



Notes to Financial Statements for the Year ended 31st March, 2024

VI. Financial Risk Management

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

A. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company's interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Total Borrowings with Variable interest rate	1147.82	1214.23

Interest rate Sensitivity

A change of 50 bps in interest rates would have following impact on profit for the year.

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
50 bps increase would decrease the profit before tax by	(4.81)	(5.46)
50 bps decrease would increase the profit before tax by	4.81	5.46

B. Market Risk- Foreign Currency risk:

The Company has international operations and portion of the business is transacted in USD/EURO and consequently the Company is exposed to foreign exchange risk through its sales to foreign customers and purchases of goods & purchase of services from overseas suppliers.

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative contracts outstanding as at 31st March, 2024

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
Forward Contracts to sell USD	Nil	Nil
PCFC Facilities	Nil	Nil

(b) Particulars of unhedged foreign currency exposures as on 31st March 2024

₹ in lakhs

Particulars	31 March, 2024			31 March, 2023		
	Amount	5% Increase	5% Decrease	Amount	5% Increase	5% Decrease
Import of Goods and Services						
Stores, Spares and Components	--	--	--	--	--	--
Travelling Expenses	--	--	--	--	--	--
Export of Goods						
Sundry Debtors (Export)	124.51	6.22	(6.22)	25.84	1.29	(1.29)

Notes to Financial Statements for the Year ended 31st March, 2024
C. Equity Price Risk

The company does not have any investment in equity instruments and hence equity price risk does not affect the company materially.

D. Liquidity Risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet its requirements. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(₹ in Lakhs)

As At 31 st March, 2024	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	13 (i) (ii)	1,702.05	934.56	767.49
Trade payables	16	428.88	422.63	6.26
Other Financial Liabilities	17	255.01	255.01	--

₹ in lakhs

As At 31 st March, 2023	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	13 (i) (ii)	1,639.69	1185.88	453.81
Trade payables	16	549.34	536.28	12.91
Other Financial Liabilities	17 (i) (ii)	275.86	275.86	--

VII. Capital risk management
(a) Risk Management

The Company aims to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

(b) Dividend

(₹ in Lakhs)

Particulars	31 March, 2024	31 March, 2023
No Dividend for the current year and previous year	Nil	Nil

VIII. Financial Instrument:

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in note 2.9 of the Ind AS financial statements.



Notes to Financial Statements for the Year ended 31st March, 2024

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31st March, 2024 are as follows:

(₹ in Lakhs)

Particulars	See Note	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Assets					
Non-Current					
Other Financial Assets	5 (i)	Nil	Nil	51.33	51.33
Current					
Trade Receivable	8	Nil	Nil	797.24	797.24
Other Financial Assets	5 (ii)	Nil	Nil	4.58	4.58
Total		Nil	Nil	853.15	853.15
Financial Liabilities					
Non-Current					
Borrowings	13 (i)	Nil	Nil	811.09	811.09
Other Financial liabilities	17 (i)	Nil	Nil	Nil	Nil
Current					
Borrowings	13 (ii)	Nil	Nil	890.96	890.96
Trade payables	16	Nil	Nil	428.88	428.88
Other Financial liabilities	17 (ii)	Nil	Nil	255.01	255.01
Total		Nil	Nil	2385.94	2385.94

The carrying value of financial instruments by categories as at 31st March, 2023 are as follows:

(₹ in Lakhs)

Particulars	See Note	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Assets					
Non-Current					
Other Financial Assets	5 (i)	Nil	Nil	46.88	46.88
Current					
Trade Receivable	8	Nil	Nil	935.75	935.75
Other Financial Assets	5 (ii)	Nil	Nil	7.72	7.72
Total		Nil	Nil	943.47	943.47
Financial Liabilities					
Non-Current					
Borrowings	13 (i)	Nil	Nil	536.91	536.91
Other Financial liabilities	17 (i)	Nil	Nil	Nil	Nil
Current					
Borrowings	13 (ii)	Nil	Nil	1102.78	1102.78
Trade payables	16	Nil	Nil	549.35	549.35
Other Financial liabilities	17 (ii)	Nil	Nil	275.86	275.86
Total		Nil	Nil	2464.90	2464.90

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payable as at 31st March, 2024 and 31st March, 2023 approximate the fair value because of their short-term nature. Difference between the carrying amount and fair values of other financial liabilities subsequently measured at amortized cost is not significant in each of the year's presented.

Notes to Financial Statements for the Year ended 31st March, 2024
Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities

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

Level 3: Inputs are not based on observable market data unobservable inputs. Fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured on fair value on recurring basis (but fair value disclosures are required).

(₹ in Lakhs)

As at 31 st March, 2024	Level 1	Level 2	Level 3	Total
Financial Assets:				
Security Deposits	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
Financial Liability:				
Borrowing from a Bank	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

₹ in lakhs

As at 31 st March, 2023	Level 1	Level 2	Level 3	Total
Financial Assets:				
Security Deposits	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
Financial Liability:				
Borrowing from a Bank	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

- IX.** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- X.** The Company does not have any transactions with companies struck-off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- XI.** No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- XII.** The Company's financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 29th May, 2024 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.
- XIII.** The figures in the financial statements are rounded off to the nearest lakhs and indicated in lakhs of Rupees.



Notes to Financial Statements for the Year ended 31st March, 2024

XIV. Previous year's figures have been regrouped/re-arranged wherever necessary in order to conform to those of the Current Year.

Year Ended March	31 March, 2024	31 March, 2023	Variance
(A) Measures of Performance			
Operating Profit	3.50%	3.35%	4.28%
Interest / Sales	1.08%	0.99%	9.06%
Gross Profit Margin (EBDTA)	2.42%	2.36%	2.27%
Net Profit after Tax (NAT)	0.79%	0.01%	(5607.19)%
DSCR Ratio	2.36	1.32	78.24%
Return of Equity	3.65%	0.07%	(5139.09)%
Return of Capital Employed	3.84%	3.57%	(7.44)%
(B) Measures of Financial Status			
Current Ratio	1.51	1.28	17.98%
Debt / Equity Ratio (LT & ST)	0.66	0.68	(2.51)%
Interest Coverage	2.85	3.66	(21.98)%
Inventory Turnover Ratio	10.49	11.48	(8.63)%
Inventory Period (in Days)	35.29	32.38	8.99%
Trade Receivable Turnover Ratio	14.29	14.50	(1.43)%
Trade Receivable Period (in Days)	23.36	26.18	(10.78)%

Note:

All the ratios (performance measures & measures of financial status) have improved compare to last year and the performance of the company has improved.

Signatures to Notes "1" to "26"

As per our attached report of even date

For and on Behalf of the Board

For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Valson Industries Limited

Suresh N. Mutreja
Chairman & MD
DIN No : 0052046

Varun S Mutreja
Director & CFO
DIN No : 7022832

Harsh Parekh
Partner
Membership No.: 148354

Kunal S. Mutreja
Director & CEO
DIN No : 7022857

Neeti Alwani
Company Secretary

Place : Mumbai
Date : 29th May, 2024

Financial Performances for Last three years

(₹ in Lakhs)

Particulars	2,024	2,023	2,022
Revenue from operations (net)	12,457.65	13,044.66	11,435.13
Expenses	12,076.66	12,658.98	11,240.71
Earnings before other Income Interest, Tax, Depreciation	380.99	385.68	194.42
Other Income	54.42	51.56	67.15
Earnings before Interest, Tax, Depreciation (EBITDA)	435.41	437.24	261.57
Finance costs	134.18	128.82	114.02
Earnings before Tax, Depreciation (EBTDA)	301.23	308.41	147.55
Depreciation and amortisation expense	255.51	272.61	282.38
Earnings before Tax	45.73	35.81	(134.83)
Taxes	52.48	(34.01)	17.65
Earnings after Tax before OCI Effect	98.21	1.80	(117.18)
OCI Effect	6.11	6.50	10.47
Earnings after Tax	104.32	8.30	(106.71)
A) EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Equity Share capital	766.08	766.08	766.08
(b) Other Equity	1,925.15	1,820.83	1,812.53
Non-current liabilities			
(a) Borrowings	771.02	536.91	589.78
(b) Other Long term Liabilities	-	-	-
(c) Provisions	91.70	79.67	71.13
(d) Deferred tax liabilities (net)	222.95	273.37	236.86
Current liabilities			
(a) Borrowings	931.03	1,102.78	996.04
(b) Trade payables	428.88	549.34	803.93
(c) Other Financial liabilities	257.02	275.86	253.68
(d) Provisions	5.36	9.73	9.35
(e) Current Tax Liabilities	-	-	-
(f) Other Current Liabilities	112.99	111.51	88.75
Total	5,512.18	5,526.09	5,628.14
B) ASSETS			
Non-current assets			
(i) Property ,Plant and Equipment	2,863.44	2,786.49	2,896.25
(ii) Capital work-in-progress - Tangible	-	19.96	152.73
(iii) Other Intangible assets	27.38	22.84	18.69
(iv) Non Current Investments	-	-	-
(v) Other Financial Assets	51.33	46.88	46.88
(vi) Other Non Current Assets	7.17	24.01	34.17
Current assets			
(a) Inventories	1,204.52	1,157.29	1,105.49
(b) Trade receivables	797.24	935.75	854.24
(c) Cash and cash equivalents	100.78	101.44	2.22
(d) Bank balances other than (c) above	30.87	26.47	27.03
(e) Loans	28.37	48.43	40.31
(f) Other Financial Assets	86.92	90.06	8.14
(g) Other Current Assets	314.16	266.47	441.99
Total	5,512.18	5,526.09	5,628.14



Financial Performances for Last three years

(₹ in Lakhs)

Important Ratios comparison			
Year Ended March	2,024	2,023	2,022
(A) Measures of Performance			
Operating Profit	3.50%	3.35%	2.29%
Interest / Sales	1.08%	0.99%	1.00%
Gross Profit Margin (EBDTA)	2.42%	2.36%	1.29%
Net Profit after Tax (NAT)	0.79%	0.01%	-1.02%
DSCR Ratio	1.98	1.32	0.50
Return of Equity	3.65%	0.07%	-4.54%
Return of Capital Employed	3.81%	3.57%	-0.44%
(B) Measures of Financial Status			
Current Ratio	1.48	1.28	1.15
Debt / Equity Ratio (LT & ST)	0.67	0.68	0.75
Interest Coverage	2.85	3.66	2.14
Inventory Turnover Ratio	10.49	11.48	11.36
Inventory Period (in Days)	35.29	32.38	35.29
Trade Receivable Turnover Ratio	14.29	14.50	14.30
Trade Receivable Period (in Days)	23.36	26.18	27.27
Trade Payable Turnover Ratio	17.68	13.75	13.05
Fixed Assets to Turnover	4.28	4.59	3.70
(C) Measures of Investments			
Earnings Per Share (EPS/Diluted)	1.28	0.02	(1.53)
Cash Earnings per Share	4.62	3.58	2.16
Profit Plough back (%)	100%	100%	100%
Book Value	35.13	33.77	33.66



VALSON INDUSTRIES LIMITED

28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai 400 059