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ANNUAL REPORT



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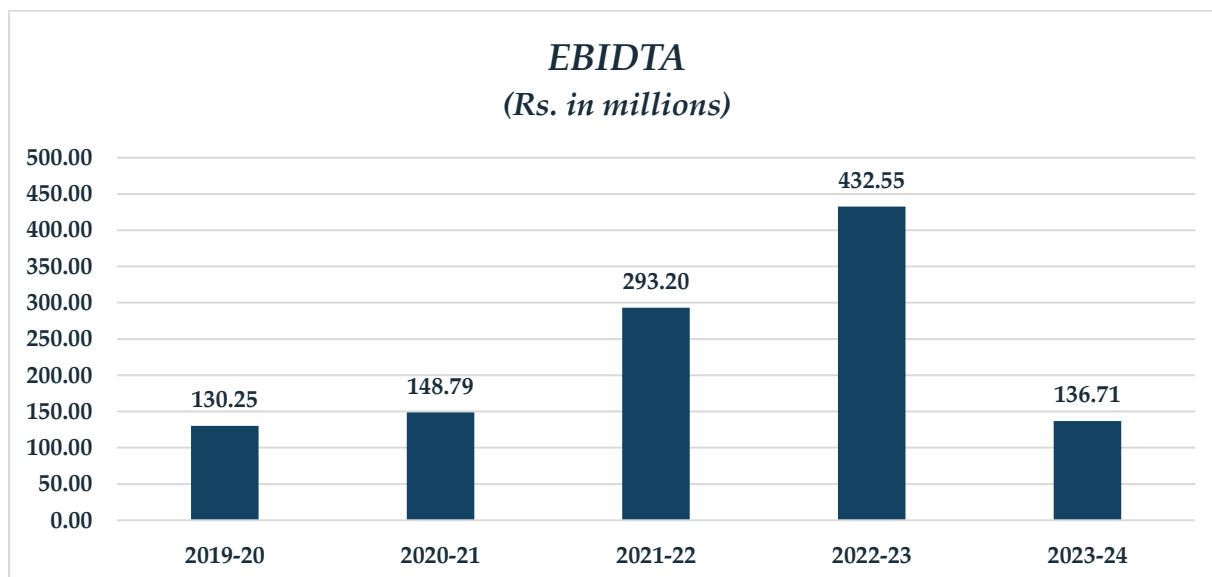
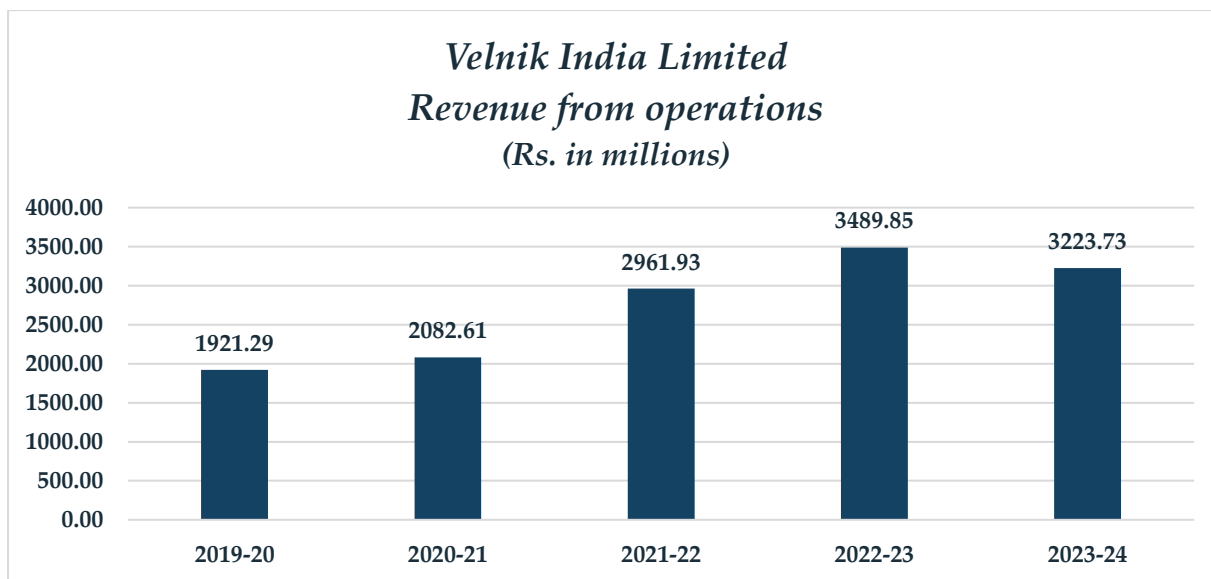
CORPORATE INFORMATION

BOARD OF DIRECTORS	<p>Mr. Sukhdev Gehlot (DIN 06456150) - Managing Director</p> <p>Mrs. Manju Devi Gehlot (DIN- 07811873) - Director</p> <p>Mr. Dinesh Chand Jain (DIN - 07576030) - Independent Director</p> <p>Mr. Rohit Khandelwal (DIN – 07038360)- Independent Director</p> <p>Ms. Kusum Gehlot (DIN - 10326369) - Additional Non-Executive Director (<i>appointed w.e.f. 20th September, 2023</i>)</p> <p>Mr. Devendra Gehlot (DIN - 10764120) – Additional Non-Executive Director (<i>appointed w.e.f. 04th September, 2024</i>)</p>
CHIEF FINANCIAL OFFICER	Mr. Chetan Gehlot
COMPANY SECRETARY	Mr. Chirag Desla
AUDITORS	M/S S.L. Chhajed & Co. LLP, Chartered Accountants
MAJOR BANKERS	Axis Bank Ltd. HDFC Bank Ltd. Union Bank of India Punjab National Bank
REGISTERED OFFICE	E-10, Krishi Mandi, Sojat City, Sojat, Pali-306104 Rajasthan. CIN: U24100RJ2017PLC058778 Tel: 073166 69064 Email: cs@velnik.com
MARKETING AND COMMUNICATION OFFICE	Khasra No. 516-517, Near Dutta Cold Storage, Nihalpur Mundi Road, Bijalpur, Indore – 452012 Madhya Pradesh. Tel: 073166 69000 Email: info@velnik.com
REGISTRARS & TRANSFER AGENT	Bigshare Services Private Limited Office No S6-2, 6 th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Maharashtra. Tel: 022-6263 8200 Email: investor@bigshareonline.com

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FINANCIAL HIGHLIGHTS



NOTICE TO MEMBERS

*Shorter Notice is hereby given that the **Seventh (07th) ANNUAL GENERAL MEETING** of the Members of **VELNIK INDIA LIMITED** will be held on **Monday, 30th September, 2024 at 12:00 PM** at the Marketing and communication office of the Company situated at **Khasra No. 516-517, Near Dutt Cold Storage, Nihalpur Mundi Road, Bijalpur, Indore-452012 (M.P.)** to discuss the following business:*

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2024 together with the report of board of Director's and Auditor's thereon;**
- 2. To appoint a director in place of Mr. Sukhdev Gehlot (DIN: 06456150), who retires by rotation and being eligible, offers himself for re-appointment;**

SPECIAL BUSINESS:

- 3. To Regularize the appointment of Ms. Kusum Gehlot (DIN: 10326369) as the Non-Executive Director of the Company.**

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

“RESOLVED THAT in pursuance of applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Kusum Gehlot (DIN: 10326369), who was appointed as an Additional Non-Executive Director of the Company with effect from 20th September 2023 and whose term of office expires at this Annual General Meeting and who has offered herself for appointment as a Non- Executive Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing her candidature for the office of the Director, be and is hereby appointed as a Non- Executive Director of the Company, liable to retire by rotation.

“RESOLVED FURTHER THAT Ms. Kusum Gehlot (DIN: 10326369), be paid such fees and/or remuneration and/or profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

“RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters and to sign such other documents and file such forms as may be necessary and expedient to give effect to the aforesaid resolution.”

4. To Regularize the appointment of Mr. Devendra Gehlot (DIN: 10764120) as the Non-Executive Director of the Company.

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

“RESOLVED THAT in pursuance of applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Devendra Gehlot (DIN: 10764120), who was appointed as an Additional Non-Executive Director of the Company with effect from 04th September, 2024 and whose term of office expires at this Annual General Meeting and who has offered himself for appointment as an Non- Executive Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director, be and is hereby appointed as a Non- Executive Director of the Company, liable to retire by rotation.

“RESOLVED FURTHER THAT Mr. Devendra Gehlot (DIN: 10764120), be paid such fees and /or remuneration and / or profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

“RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters and to sign such other documents and file such forms as may be necessary and expedient to give effect to the aforesaid resolution.”

5. To shift the registered office of the Company from one location to another within the state.

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

“RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 read with rules made thereunder, consent of the members be and is hereby accorded for shifting the registered office of the Company from E-10, Krishi Mandi, Sojat City, Sojat, Pali-306104, Rajasthan to Khasra No. 456/262, 269 to 275, 276/1, 282/3, 290, 291/2, 291/4, 294/1, Kalab Kalan Road, Dholi Magri Choraha, Village Kalakot, Tehsil - Raipur, District – Beawar-306304, Rajasthan.

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters and to sign such other documents and file such forms as may be necessary and expedient to give effect to the aforesaid resolution.

6. To consider and approve the material related party transaction.

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

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and Rules framed thereunder, based on the recommendations of the Audit Committee and board of directors of the company, the approval of the members be and is hereby accorded to enter into related party transaction with Mr. Sukhdev Gehlot including his sole proprietary firm M/s Ethica Herbals, for the below tabled transactions for an overall consideration of Rs. 100 Crores on such terms and conditions as set out in the explanatory statement.

Name of Related Party	Relation	Nature of Transaction
Mr. Sukhdev Gehlot	Managing Director	A) Availing of Services – i. Payment of Royalty ii. Payment of Rent iii. Availing of Loan iv. Payment of Remuneration

M/s Herbals	Ethica	Proprietorship Concern of Mr. Sukhdev Gehlot	Purchase of Product /services
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RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and finalise other terms and conditions and to do all such acts, deeds and things including delegation of powers as may be necessary, proper or expedient to give effect to this resolution.”

*By Order of the Board of Directors
For Velnik India Limited*

*Date: 13th September, 2024
Place: Indore*

*Chirag Desla
Company Secretary
(Membership No. A68513)*

NOTES:

1. Explanatory statement in respect of Special Businesses as set out in the notice, is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the marketing and communications office of the Company at least forty-eight (48) hours before the commencement of the Meeting. A person can act as a proxy on behalf of members holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case, a proxy is appointed by a member holding more than 10% of the total share capital carrying voting rights, such proxy shall not act as proxy for any other person or member. During the business hours of the Company, proxies are open for inspection at the marketing and communications office of the Company for the period beginning before 24 (twenty-four) hours from the commencement of the Meeting and ending with the conclusion of the Meeting provided that an advance notice of not less than 3 (three) days is given to the Company. Members/Proxies are requested to bring their duly filled attendance slip sent herewith at the meeting.
4. Proxy in prescribed Form No. MGT-11 is enclosed. Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.
5. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 ("the Act") are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
Proxy Form(s) and certified copy of Board resolution(s) authorizing representative(s) to attend and vote at the Meeting shall be sent to the Marketing and Communications office of the Company.
6. Pursuant to the provisions of Section 152 of the Companies Act, 2013 ("the Act") and rules made thereunder and Article of Association of the Company, Mr. Sukhdev Gehlot (DIN:06456150) retiring by rotation and being eligible offers himself for re-appointment. He is not related to any other Director of the Company except Mrs. Manju Devi Gehlot (DIN:07811873), Ms. Kusum Gehlot (DIN: 10326369) and Mr. Devendra Gehlot (DIN: 10764120).

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.
8. The route map showing directions to reach the venue of the Seventh (7th) Annual General Meeting is annexed.
9. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
10. Attendance slip, proxy form MGT-11, and route map of the venue of the Meeting are annexed hereto.
11. 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 Meeting.
12. Relevant documents referred to in the Notice are open for inspection by the members at the Registered and Marketing and Communication Office of the Company on all working days during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.
13. Members/proxies attending the meeting are requested to bring their duly filled admission/attendance slips sent along with the notice of the annual general meeting at the meeting.
14. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, 23rd September 2024. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to vote at the meeting.
15. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the cut-off date, will be entitled to vote at the meeting.

*By Order of the Board of Directors
For Velnic India Limited*

*Date: 13th September, 2024
Place: Indore*

*Chirag Desla
Company Secretary
(Membership No. A68513)*

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following sets out all material facts relating to items under Special Business mentioned in the accompanying Notice for convening the Annual General Meeting of the Company:

Item No. 3: To Regularize the appointment of Ms. Kusum Gehlot (DIN: 10326369) as the Non-Executive Director of the Company.

Ms. Kusum Gehlot (DIN: 10326369), was appointed as an Additional Director of the company with effect from September 20, 2023 by the Board in accordance Section 161 of the Companies Act 2013 ("the Act").

As per Section 161 of the Act, Ms. Kusum Gehlot (DIN: 10326369), will hold the office up to the date of the upcoming AGM or the due date of holding AGM whichever is earlier. The Company has received the requisite notice under Section 160 of the Act proposing the candidature of Ms. Kusum Gehlot (DIN: 10326369), to be appointed as a Non-Executive Director at the ensuing AGM liable to retire by rotation. Ms. Kusum Gehlot has also consented to the proposed appointment and declared herself qualified.

Ms. Kusum Gehlot (DIN: 10326369), possesses the requisite knowledge, experience and skill for the position of Director. The Board on receipt of the said notice from a member and subject to approval of members in the ensuing AGM, has accorded its consent, to appoint Ms. Kusum Gehlot as the Non-Executive Director liable to retire by rotation.

Except Mr. Sukhdev Gehlot and his relatives, none of the Directors of the company and their relatives thereof are interested or concerned, financially or otherwise in the proposed resolution.

The Board recommends the Ordinary Resolution set out in Item No. 3 of the Notice for approval of the Members.

Item No. 4: To Regularize the appointment of Mr. Devendra Gehlot (DIN: 10764120) as the Non-Executive Director of the Company.

Mr. Devendra Gehlot (DIN: 10764120), was appointed as an Additional Director of the company with effect from September 04, 2024 by the Board in accordance Section 161 of the Companies Act 2013 ("the Act").

As per Section 161 of the Act, Mr. Devendra Gehlot (DIN: 10764120), will hold the office up to the date of the upcoming AGM or the due date of holding AGM whichever is earlier. The Company has received the requisite notice under Section 160 of the Act proposing the candidature of Mr. Devendra Gehlot (DIN: 10764120), to be appointed as a Non-Executive Director at the ensuing AGM liable to retire by rotation. Mr. Devendra Gehlot has also consented to the proposed appointment and declared himself qualified.

Mr. Devendra Gehlot (DIN: 10764120), possesses the requisite knowledge, experience and skill for the position of Director. The Board on receipt of the said notice from a member and subject to approval of members in the ensuing AGM, has accorded its consent, to appoint Mr. Devendra Gehlot as the Non-Executive Director liable to retire by rotation.

Except Mr. Sukhdev Gehlot and his relatives, none of the Directors of the company and their relatives thereof are interested or concerned, financially or otherwise in the proposed resolution.

The Board recommends the Ordinary Resolution set out in Item No. 4 of the Notice for approval of the Members.

Item No. 5 To Shift the Registered Office from One Location to Another Within the State.

The Board of Directors of the Company at its meeting held on 15th August, 2024, proposed to shift the Registered Office of the Company from E-10, Krishi Mandi, Sojat City, Sojat, Pali-306104, Rajasthan to Khasra No. 456/262, 269 to 275, 276/1, 282/3, 290, 291/2, 291/4, 294/1, Kalab Kalan Road, Dholi Magri Choraha, Village Kalakot, Tehsil - Raipur, District – Beawar- 306304, Rajasthan, Considering the changed business needs, efficient controlling measures and administrative convenience, the shifting of the Registered Office as aforesaid is in the best interests of the Company, its shareholders and all other concerned stakeholders. Further, the proposed shifting of the office is not prejudicial to the interests of any party. Approval of the shareholders is, therefore, sought for shifting of the registered office from the E-10, Krishi Mandi, Sojat City, Sojat, Pali-306104, Rajasthan to Khasra No. 456/262, 269 to 275, 276/1, 282/3, 290, 291/2, 291/4, 294/1, Kalab Kalan Road, Dholi Magri Choraha, Village Kalakot, Tehsil - Raipur, District – Beawar- 306304, Rajasthan.

Since the aforesaid amendment comes within the ambit of Section 12 of the Companies Act, 2013, therefore the approval of the members is sought by way of a Special Resolution.

None of the Directors / Key Managerial Persons of the Company, or their relatives is in any way, concerned or interested in the said resolution.

The Board recommends the Special Resolution set out in Item No. 5 of the Notice for approval of the Members.

Item No. 6 To consider and approve the material related party transaction.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read along with Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014, all the material related party transactions require approval of members by way of ordinary resolution.

The members are further informed that company enters into below tabled transactions with Mr. Sukhdev Gehlot and M/s Ethica Herbals, a sole proprietorship concern of Mr. Sukhdev Gehlot on recurring basis on the below terms and conditions as:

Name of Related Party	Nature of Relationship	Nature of Transaction	Nature and material terms/ Particulars of the contract or arrangement	Maximum Value of Transactions
Mr. Sukhdev Gehlot	Managing Director	A. Availing of Services – i. Payment of Royalty ii. Payment of Rent iii. Availing of Loan iv. Payment of Remuneration	A. i. The Royalty is payable at the rate of 2% of the Gross Annual Turnover (inclusive of GST) for Gross Annual Turnover upto 400 Crores in accordance with the trademark user agreement dated 20/12/2018 and further amendments thereof. ii. The Premises mentioned under “Annexure A” are taken on lease/rent from the related party for overall annual lease rent of Rs. 17.93 million. iii. The unsecured loans availed from the	Rs. 100 Crores

			<p>directors on need-to-need basis and they do not carry any rate of interest and are repayable on demand.</p> <p>iv. Payment of Remuneration at Rs. 1.8 million Per Month in accordance with the approval of members at the EGM held on 25th March, 2023</p>	
M/s Ethica Herbals	Proprietorship Concern of Mr. Sukhdev Gehlot	Purchase of Product /services	The purchase of Henna Leaves from the related party will be on the average market price prevailing at the time of the purchase of the product which is on recurring basis and which will include the cost of Transport, Handling, Drying, and Storage of Henna Leaves.	

The aforesaid transactions are material in nature and requires the approval of the unrelated shareholders of the Company by ordinary resolution.

The aforesaid transaction was approved by the Audit Committee and the Board at its meeting held on 13th September, 2024 and the same was recommended by the Board to the unrelated shareholders of the Company for their approval.

All entities/ persons that are directly/ indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material related party transactions is sought from the shareholders.

Accordingly, all related parties of the Company will not vote on this resolution.

Except Mr. Sukhdev Gehlot and his relatives, None of the Directors, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution

The Board recommends the Ordinary Resolution set out in Item No. 6 of the Notice for approval of unrelated shareholders.

*By Order of the Board of Directors
For Velnik India Limited*

Date: 13th September, 2024

Place: Indore

*Chirag Desla
Company Secretary
(Membership No. A68513)*

"ANNEXURE- A"

Sr. No.	Particulars of the Premises	Nature of Usage	Terms and Conditions and Monetary Value
1	Khasra No. 270, 272, 273, 275, 276/1 Gram Kalakot, Patwar Halka Sabalpura, Kalab Kalan Road, Dholi Magri Choraha, Tehsil Raipur, District Pali - 306304	Manufacturing Plant	The lease of said premises is valid till 30/08/2034 for yearly payment of Rs. 8.4 million plus applicable taxes.
2	Khasra No. 516-517, Nihalpur Mundi Road, Near Dutt Cold Storage, Bijalpur, Indore-452012, (MP).	Marketing Office	The lease of said premises is valid till 30/11/2024 for yearly payment of Rs. 6.6 million plus applicable taxes.
3	SH-1 Takshila Parisar, Near Rajendra Nagar, Indore, Madhya Pradesh-452012.	Guest House	The lease of said premises is valid till 31/01/2025 for yearly payment of Rs. 0.138 million plus applicable taxes.
4	E-10, Krishi Mandi, Sojat City, Sojat, District Pali, Rajasthan-306104.	Registered Office	The lease of said premises is valid till 31/01/2025 for yearly payment of Rs. 0.138 million plus applicable taxes.

INFORMATION REQUIRED UNDER SECRETARIAL STANDARD- 2 ON GENERAL MEETINGS WITH RESPECT TO DIRECTOR'S APPOINTMENT AND RE-APPOINTMENT.

Name of Director	Mr. Sukhdev Gehlot	Ms. Kusum Gehlot	Mr. Devendra Gehlot
Designation	Managing Director	Additional Non-Executive Director	Additional Non-Executive Director
Director Identification Number	06456150	10326369	10764120
Age (in years)	44 Years	20 Years	19 Years
Date of first appointment on the Board	11/08/2017	20/09/2023	04/09/2024
Qualification	Intermediate	Bachelor in Business Administration	Bachelor in Business Administration
Experience	More than 25 Years	Fresher	Fresher
Terms & Conditions of Appointment or re-appointment	Managing Director of the Company, liable to retire by rotation	Non-Executive Director of the Company, liable to retire by rotation	Non-Executive Director of the Company, liable to retire by rotation
The Remuneration Last Drawn by Such Person	Rs. 21.6 million during the FY 2023-24	Nil	Nil
Details of remuneration Sought to be paid	Same as paid during the preceding financial year	Nil	Nil
Shareholding in the Company as on the date of this Notice	1,53,54,269 Equity Shares of Rs. 10 Each	Nil	Nil
Relationship with other Directors & Key Managerial Personnel	Mrs. Manju Devi Gehlot – Director- Wife Ms. Kusum Gehlot- Additional Non-Executive Director- Daughter Mr. Devendra Gehlot- Additional Non-Executive Director- Son	Mr. Sukhdev Gehlot – Managing Director - Father Mrs. Manju Devi Gehlot – Director - Mother Mr. Devendra Gehlot- Additional Non-Executive Director- Brother	Mr. Sukhdev Gehlot – Managing Director - Father Mrs. Manju Devi Gehlot – Director - Mother Ms. Kusum Gehlot- Additional Non-Executive Director - Sister
The number of Meetings of the Board attended during the year	8 of 8	2 of 8	NA
Directorships in other companies	<ul style="list-style-type: none"> • Velnik India Marketing Private Limited • Velnik Colors Private Limited • Velnik Infraheights Private Limited • Velnik India Welfare Foundation • Sukhdev Bhakti Foundation • Wellmass Pharma Private Limited 	Nil	Nil
Name of the entity in which the Director holds committee memberships & chairpersonship	Velnik India Limited – Member of Audit Committee, Chairman of CSR and Finance Committee	Nil	Nil

FORM NO. MGT-11

PROXY FORM

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

NAME OF THE COMPANY	VELNIK INDIA LIMITED
REGISTERED OFFICE	KHASRA NO. 516-517, NEAR DUTT COLD STORAGE, NIHALPUR MUNDI ROAD, BIJALPUR, INDORE-452012 (M.P.).
Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the _____ Annual General Meeting of the company, to be held on the ___ day of ___ at ___ a.m. / p.m. at _____ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. _____
2. _____
3. _____

Signed this ____ day of ____ 2024

Affix Revenue Stamps

Signature of Shareholder

ATTENDANCE SLIP

07TH ANNUAL GENERAL MEETING HELD ON MONDAY, 30TH, SEPTEMBER 2024 AT 12:00 P.M.

Regd. Folio No._____/DP ID_____Client ID/Ben. A/C_____No. of shares held_____

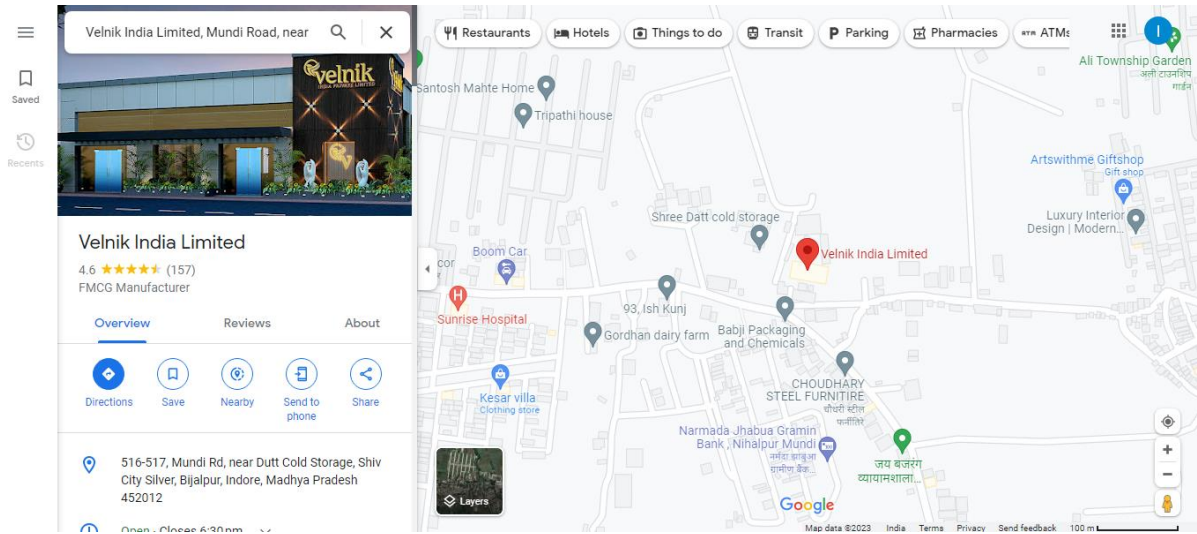
I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 07th Annual General Meeting of the Company on Monday, 30th, September 2024 at 12:00 P.M. at the Marketing and Communication Office of the Company situated at Khasra No. 516-517, Near Dutt Cold Storage, Nihalpur Mundi Road, Bijalpur, Indore-452012 (M.P.) .

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill out this attendance slip and hand it over at the entrance of the hall

ROUTE MAP



The Goggle Maps location of the aforesaid location can be access via below link or by scanning QR code:

Link - <https://maps.app.goo.gl/19hpyo5Dqxp19fNz9>

QR Code



DIRECTORS' REPORT

Dear Members,

Your director's have pleasure in presenting the 07th Annual Report on business and operations of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2024.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS:

The Company's performance during the year ended 31st March, 2024 as compared to the previous financial year, is summarized below:

Particulars	For the financial year ended 31 st March, 2024	For the financial year ended 31 st March, 2023
<i>(Figures in Million)</i>		
Total Income	3,239.16	3,491.11
Less: Expenses	3,409.89	3,312.99
Profit/ (Loss) before tax	(170.73)	178.12
Less: Current Tax/Deferred Tax/Provision for tax	(38.73)	54.10
Exception Income	0	0
Exception expenditure	0	0
Profit after Tax	(132.00)	124.02

APPROPRIATION

Interim Dividend	-	-
Final Dividend	-	-
Tax on the distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	(132.00)	124.02

b. COMPANY'S PERFORMANCE:

The Company is one of the leading manufacturers and suppliers of Hair care, Cosmetics and Personal care products, which operates with dominance in the Indian

market with its key consumer products offered in different categories.

The Company continues to be engaged in the activities pertaining to manufacturing of various Cosmetic, Ayurvedic, Hygiene, Personal Care and Nutritional Products such as Hair Care, Hair Color, Hair Removing Cream, Henna Powder, Ready to use Henna Cone, Sanitary pads, Baby diapers, Hand wash, Pain relief Balms, Body Wash Gel, Face Scrubs, Shaving Foam and Gel etc.

During the year under review, your Company posted a Sales turnover of Rs. 3,223.73 million as compared to the total Sales turnover of Rs. 3,489.85 million in the previous year showing a de-growth of around 7.63 % over the previous year.

During the year under review, the Company has incurred a loss of Rs. 132 million against the profit after tax of Rs. 124.02 million in the previous year.

There was no change in nature of the business of the Company, during the year under review.

c. DIVIDEND:

In view of the planned business growth, Board of Directors deem it proper to preserve the resources of the Company for its activities and therefore, Board of Directors does not recommend any dividend for the financial year ended 31st March, 2024.

d. UNPAID DIVIDEND & IEPF:

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend a/c of the Company.

e. TRANSFER TO RESERVES:

The Company has transferred an amount of Rs. (130.62) million being the loss incurred during the financial year 2023-24 to General Reserve Account.

f. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

g. DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

h. LOANS FROM DIRECTORS

During the financial year under review, the Company has borrowed the following amount(s) from Directors and the respective director has given a declaration in writing to the Company to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others. Accordingly, the following amount(s) are excluded from the definition of Deposit as per Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014: -

<i>Name of Director giving loan</i>	<i>Amount borrowed during the FY 2023-24 (Rs. in Millions)</i>
Mr. Sukhdev Gehlot	65.14
Mrs. Manju Devi Gehlot	5.29

i. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The details of transactions/contracts/arrangements referred to in Section 188(1) of Companies Act, 2013 entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in Form AOC-2 and is attached as “Annexure I” and forms part of this Report.

For detailed related party transactions, refer Note No. 33 to the notes of Accounts which forms part of the financials of the Company.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in “Annexure II” which forms part of this Report.

k. ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of Companies Act, 2013, the Annual Return as on 31st March, 2024 is available on Company's website on <https://velnik.com/Investor/AnnualReturn>.

l. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:

The Company has not made any loans, guarantees and investments covered under section 186 of the Act during the financial year under review.

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

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

n. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL.

a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNELS (KMP's)

i. Appointment

Ms. Kusum Gehlot (DIN: 10326369) was appointed as the Additional Non-Executive Director of the Company w.e.f 20th September, 2023.

Mr. Chetan Gehlot (PAN: ATEPG8982C) was appointed as the Chief Financial Officer of the Company w.e.f 11th August, 2023.

Mr. Chirag Desla (M. No: A68513) was appointed as Company Secretary of the company w.e.f 21st June, 2023.

ii. Resignation

Mr. Saket Kumar Singh (Membership No. A52828) was appointed as Company Secretary of the company w.e.f. 10th April, 2023. However, he has tendered his resignation from the position of Company Secretary, effective from 21st June, 2023.

iii. Retirement by rotation

In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sukhdev Gehlot, Director (DIN: 06456150) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment, your directors recommend his approval.

b) DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

The Independent Directors of the Company are Mr. Rohit Khandelwal (DIN: 07038360) and Mr. Dinesh Chand Jain (DIN: 07576030), and in the opinion of the Board, these independent directors possess the requisite integrity, expertise, experience and proficiency.

c) REMUNERATION/COMMISSION DRAWN FROM HOLDING/ SUBSIDIARY COMPANY:

The Company does not have any holding Company or subsidiary Companies during the year under review.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES.

a. BOARD OF DIRECTORS:

The Composition of Board of Directors is in conformity with the applicable provisions of the Companies Act, 2013 which is as follows:

Name of director	Designation	DIN
------------------	-------------	-----

Mr. Sukhdev Gehlot	Managing Director	06456150
Mrs. Manju Devi Gehlot	Director	07811873
Mr. Rohit Khandelwal	Independent Director	07038360
Mr. Dinesh Chand Jain	Independent Director	07576030
Ms. Kusum Gehlot	Additional Non-Executive Director	10326369

During the year under review, the board of directors met 8 times in accordance with the provisions of the Companies Act, 2013 and rules made thereunder, details of which are as follows:

Name of Director	Date of Meeting							
	10 th April, 2023	15 th April, 2023	19 th May, 2023	21 st June, 2023	27 th July, 2023	11 th August, 2023	30 th September, 2023	01 st January, 2024
Mr. Sukhdev Gehlot	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Manju Devi Gehlot	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rohit Khandelwal	✓	✓	✓	✓	✓	✓	✓	✗
Mr. Dinesh Chand Jain	✓	✓	✗	✗	✓	✓	✓	✗
*Ms. Kusum Gehlot	NA	NA	NA	NA	NA	NA	✓	✓

*Ms. Kusum Gehlot was appointed as the Additional Director w.e.f. 20th September, 2023.

The Company has complied with the applicable Secretarial Standards in respect of all the above board meetings.

b. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Act, the Key Managerial Personnels of the Company as on date are Mr. Sukhdev Gehlot- Managing Director, Mr. Chetan Gehlot – Chief Financial Officer and Mr. Chirag Desla– Company Secretary.

c. AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

1. Mr. Rohit Khandelwal Independent Director, Chairman,
2. Mr. Dinesh Chand Jain, Independent Director, Member and
3. Mr. Sukhdev Gehlot Managing Director, Member.

The Audit Committee met 3 times during the financial year ended 31st March 2024, details of which are as follows:

Name of Director	Date of Meeting		
	10 th April, 2023	19 th May, 2023	27 th July, 2023
Mr. Rohit Khandelwal	✓	✓	✓
Mr. Dinesh Chand Jain	✓	✗	✓
Mr. Sukhdev Gehlot	✓	✓	✓

During the year under review, the Board of Directors of the Company has accepted all the recommendations of the Committee.

d. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the committee was as under:

1. Mr. Rohit Khandelwal, Independent Director, Chairman
2. Mr. Dinesh Chand Jain, Independent Director, Member, and
3. Ms. Kusum Gehlot, Non- Executive Director, Member.

The Board at its meeting held on 23rd April, 2024, redesignated the composition of the committee, The current composition of the committee is as under:

1. Mr. Dinesh Chand Jain, Independent Director, Chairman
2. Mr. Rohit Khandelwal, Independent Director, Member, and
3. Ms. Kusum Gehlot, Non- Executive Director, Member.

The Nomination & Remuneration Committee met 4 times during the financial year ended 31st March 2024, details of which are as follows:

Name of Director	Date of Meeting			
	10 th April, 2023	21 st June, 2023	27 th July, 2023	11 th August, 2023

Mr. Dinesh Chand Jain	✓	✓	✓	✓
Mr. Rohit Khandelwal	✓	✓	✓	✓
*Ms. Kusum Gehlot	NA	NA	NA	NA

*Ms. Kusum Gehlot was appointed as the Member of the Committee w.e.f. 20th September, 2023.

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 other employees.

Your Company has adopted the policy which, inter alia, includes criteria for determining qualifications, positive attributes, and independence of a director. The said policy is annexed herewith and marked as “*Annexure III*” and the said Policy is available on the Company’s website and can be accessed at <https://velnik.com/Investor/Policies>.

e. FINANCE COMMITTEE:

During the year under review the board has constituted Finance Committee comprising of

1. Mr. Sukhdev Gehlot, Managing Director, Chairman
2. Mrs. Manju Devi Gehlot, Director, Member, and
3. Mr. Rohit Khandelwal, Independent Director, Member.

The Finance Committee met 1 time during the financial year ended 31st March 2024, details of which are as follows:

Name of Director	Date of Meeting
	9 th February, 2024
Mr. Sukhdev Gehlot	✓
Mrs. Manju Devi Gehlot	✓
Mr. Rohit Khandelwal	✓

The Finance Committee acts in accordance with the Charter and the terms of reference approved by the board which are available on the website of the company and can be accessed at <https://velnik.com/Investor/Policies>.

f. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of Section

177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed “Vigil Mechanism Policy” for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on the raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concerns/grievances to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

The Whistle Blower Policy is available on Company’s website and can be accessed at <https://velnik.com/Investor/Policies>.

g. RISK MANAGEMENT POLICY:

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision-making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

h. CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under:

1. Mr. Sukhdev Gehlot, Managing Director, Chairman;
2. Mrs. Manju Devi Gehlot, Executive Director, Member and
3. Mr. Rohit Khandelwal, Independent Director, Member,

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee and the said policy is available on the Company’s web-site and which can be accessed at <https://velnik.com/Investor/Policies>.

The CSR Committee met 2 time during the financial year ended 31st March 2024, details of which are as follows:

Name of Director	Date of Meeting	
	27 th July, 2023	19 th March, 2024
Mr. Sukhdev Gehlot	✓	✓
Mrs. Manju Devi Gehlot	✓	✓
Mr. Rohit Khandelwal	✓	✓

The Annual Report on CSR activities is annexed herewith and marked as “*Annexure IV*”

During the financial year 2023-24, the Company has spent excess amount on CSR than the prescribed 2% of net profits, as mentioned in Annexure IV. Hence, the Company has passed a Board resolution for claiming set-off of excess CSR spent in the next 3 financial years in accordance with CSR Rules.

i. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The Board has carried out an annual performance evaluation of its own performance and of the directors individually, as well as the evaluation of all the committees i.e. Audit, Nomination and Remuneration, CSR and Finance Committee.

The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its committees and individual directors, including the Chairman of the Board the exercise was carried out by feedback survey from each directors covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. 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 attendance, contribution at the meeting etc.

4. AUDITORS AND REPORTS.

The matters related to Auditors and their Reports are as under:

a. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. S.L. Chhajer & Co. LLP, Chartered

Accountants have been appointed as the Statutory Auditors of the Company for a term of 5 Years to hold office till the conclusion of 10th Annual General Meeting of the Company and they continue to be the Statutory Auditors of the Company.

The observations/qualifications/disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March 2024 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. SECRETARIAL AUDITOR:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates obtaining a Secretarial Audit Report from Practicing Company Secretary, M/s Yati Mittal and Associates, Company Secretaries having COP No: 25176 had been appointed to carry out Secretarial Audit and issue report thereon for the financial year 2023-24.

Secretarial Audit Report issued by M/s Yati Mittal and Associates, Practicing Company Secretaries in Form MR-3 for the financial year 2023-24 forms part of this report marked as "*Annexure V*".

The said report does not contain any observation, qualification, reservation or adverse remark, however the Secretarial auditor has specified self- explanatory notes in their report.

c. MAINTENANCE OF COST RECORDS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

d. REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013:

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

5. OTHER DISCLOSURES.

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. **DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal that can have impact on the going concern status and the Company's operations in future.

b. **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

c. **DISCLOSURE REGARDING INTERNAL COMPLAINTS COMMITTEE:**

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the constitution of the Committee is as under:

1. Mrs. Manju Devi Gehlot, Director - Presiding Officer
2. Ms. Vandana Vadech, Executive Officer International Marketing – Member
3. Mr. Ankit Tiwari – Assistant Manager HR
4. Mrs. Vaibhavi Wadhvani - Legal Executive
5. Mrs. Rekha Ramje - External Independent Member of the Committee

During the financial year under review, the Company did not receive any complaint of sexual harassment and no cases were filed under the POSH Act.

d. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

e. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

f. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

g. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

h. DISCLOSURE OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, no application was filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

i. DISCLOSURE OF REASON FOR DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE TIME SETTLEMENT:

There was no instance of a onetime settlement with any Bank or Financial Institution.

6. ACKNOWLEDGEMENTS AND APPRECIATION:

Your directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

**FOR AND ON BEHALF OF THE BOARD
VELNIK INDIA LIMITED**

Date: 13th September, 2024
Place: Indore

Mr. Sukhdev Gehlot
Managing Director
DIN: 06456150

Mrs. Manju Devi Gehlot
Director
DIN: 07811873

ANNEXURE I

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contracts/arrangement s/transaction	Duration of the contracts/arrangement s/transaction s	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
Ethica Herbals (Prop. Sukhdev Gehlot)	Proprietors hip Concern of Director	Purchase of goods or materials	Recurring	As may be agreed between the parties; Rs. 331.76 million	10/04/2023	NIL

FOR AND ON BEHALF OF THE BOARD
VELNIK INDIA LIMITED

Date: 13th September, 2024
Place: Indore

Mr. Sukhdev Gehlot
Managing Director
DIN: 06456150

Mrs. Manju Devi Gehlot
Director
DIN: 07811873

ANNEXURE II

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

A. Conservation of energy-

- (i) *the steps taken or impact on conservation of energy-* The business operations of the company are energy intensive and as a responsible corporate entity company has consistently ensured to undertake steps which could result in conservation of energy such as installation of Solar Power Plant having capacity of Producing 1.5 Megawatt etc. During the financial year 2023-24 no such material step has been taken but company is continuously exploring the measures to conserve energy.
- (ii) *the steps taken by the company for utilising alternate sources of energy;* - The Company has implemented Solar systems for using renewable / natural resources and your Company will continue to explore alternative sources of energy in the future.
- (iii) *the capital investment on energy conservation equipment's;* - NIL

B. Technology absorption-

- (i) the efforts made towards technology absorption; - NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - NIL
- (iii) 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 - NA
- (b) the year of import- NA
- (c) whether the technology been fully absorbed - NA
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and - NA
- (iv) the expenditure incurred on Research and Development

		(Rs. In Millions)	
Sr. No.	Particulars	2023-24	2022-23
1.	(a) Capital Expenditure	0.216	0.102
2.	(b) Recurring Expenditure	1.503	1.398
3.	(c) Total	1.719	1.500
4.	(d) Total R&D expenditure as % of Total	0.053%	0.040%

	Turnover		
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C. Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	FY 2023-24 (Rs. In Millions)	FY 2022-23 (Rs. In Millions)
Foreign exchange earnings:	3.48	3.46
Foreign exchange outgo:	97.85	131.49

**FOR AND ON BEHALF OF THE BOARD
VELNIK INDIA LIMITED**

Date: 13th September, 2024
Place: Indore

Mr. Sukhdev Gehlot
Managing Director
DIN: 06456150

Mrs. Manju Devi Gehlot
Director
DIN: 07811873

Annexure III
NOMINATION AND REMUNERATION POLICY

INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every Company covered under the aforesaid section shall constitute the Nomination and Remuneration Committee.

The Board of Directors of the Company (the Board) therefore, constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

In terms of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee shall inter alia recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Accordingly, this Nomination and Remuneration Policy of the Company is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term valuecreation for shareholders.

DEFINITIONS

- a) **“Board”** means Board of Directors of the Company.
- b) **“Company”** means **“Velnik India Limited”**
- c) **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- d) **“Key Managerial Personnel” (KMP)** means (i) Chief Executive Officer or the Managing Director or the Manager, (ii) Company Secretary, (iii) Whole-time Director, (iv) Chief Financial Officer and (v) Such other officer as may be prescribed.
- e) **“Committee or Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- f) **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- g) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- h) **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

SCOPE

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Person and Board of Directors.

OBJECTIVES

The Key Objectives of the policy and the Committee would be:

1. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy;
2. To formulate criteria for determining qualifications, positive attributes and independence of a director;
3. To guide and recommend the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management
4. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
5. To Formulate criteria for evaluation of performance of Independent Directors, the Board as a whole and of each Director on Individual Basis.

GUIDING PRINCIPLES

The Policy ensures that:

1. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets.

ROLE AND POWERS OF THE COMMITTEE

1. *Recommend to the Board of Directors, appointment and removal of Directors, KMP and Senior Management:*
 - Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal
 - Ensure that the person(s) identified as aforesaid possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - The Committee shall not recommend appointment of and recommend retirement of

any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves shall be restricted to such numbers as prescribed under the Act.
- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

2. Review of term/tenure of Directors, KMP and Senior Management, with special reference to:

a. Managing Director/Whole-time Director:

The Committee shall ensure that the Company appoints or re-appoints any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time and no re-appointment is being made earlier than one year before the expiry of term.

b. Independent Director:

- ❖ An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- ❖ No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of a cooling off period of three years after ceasing to become an Independent Director consequent to expiry of 2nd term of his/her appointment. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3. Facilitate retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

4. Recommend to the Board of Directors, the remuneration of Directors, KMP and Senior Management:

a. General:

- ❖ The remuneration / compensation / commission etc. to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;
- ❖ The remuneration and commission to be paid to the Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;
- ❖ Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director;
- ❖ Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:

❖ ***Fixed pay:***

The Whole-time / Executive / Managing Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

❖ ***Minimum Remuneration:***

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

❖ ***Provisions for excess remuneration:***

If any Whole-time Director draws or receives, directly or indirectly by way of

remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c. Remuneration to Non- Executive / Independent Director:

❖ **Remuneration / Commission:**

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

❖ **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

❖ **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

❖ **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

MEMBERSHIP OF THE COMMITTEE

1. The Committee shall consist of a minimum 3 non-executive directors, out of which not less than one-half will be independent directors;
2. Minimum two (2) members shall constitute a quorum for the Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN OF THE COMMITTEE

1. Chairman of the Committee shall be an Independent Director;
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;
4. Chairman of the Nomination and Remuneration Committee meeting should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

COMPANY SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be entered in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee May Delegate any of its powers to one or more of its members.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

AMENDMENTS IN THE LAW

Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

“Annexure IV”

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company:** For Velnik India Limited responsible business practices include being responsible for our business processes, products, engaging in responsible relations with employees, customers and the community. Hence the Corporate Social Responsibility for the Company goes beyond just adhering to statutory and legal compliances, and creates social and environmental value for our key stakeholders.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sukhdev Gehlot, Chairman	2	2
2	Mrs. Manju Devi Gehlot, Member	2	2
3	Mr. Rohit Khandelwal, Member	2	2

3. **Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company** - The details of the web link is- CSR Projects - <https://velnik.com/Investor/CSR> and CSR Policy - <https://velnik.com/PDF/CSR Policy.pdf>

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable** - Not Applicable.

5.

(a) Average net profit of the company as per sub-section (5) of section 135.	11,84,82,958
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	23,69,659
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	0
(d) Amount required to be set-off for the financial year, if any.	2,25,449
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	21,44,210

6.

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).		22,00,000			
(b) Amount spent in administrative overheads.		0			
(c) Amount spent on Impact Assessment, if applicable.		0			
(d) Total amount spent for the Financial Year [(a)+(b)+(c)].		22,00,000			
(e) CSR amount spent or unspent for the Financial Year:					
Amount Unspent (in Rs.)					
Total Amount Spent for the Financial Year. (in Rs.)	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.			
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
22,00,000	-	-	-	-	-
(f) Excess amount for set-off, if any:					
Sl. No.	Particular		Amount (in Rs.)		
(1)	(2)		(3)		
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135		23,69,659		
(ii)	Excess amount spent during the previous financial year which is set-off during the current financial year		(2,25,449)		
(iii)	Total amount spent for the Financial Year		22,00,000		
(iv)	Excess amount spent for the Financial Year [(iii)-(i+ii)]		55,790		
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any		0		
(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]		55,790		

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Not Applicable
8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 - Not Applicable**

FOR AND ON BEHALF OF THE BOARD

VELNIK INDIA LIMITED

Date: 13th September, 2024

Place: Indore

Mr. Sukhdev Gehlot

Managing Director and

Chairman of CSR Committee

DIN: 06456150

Mrs. Manju Devi Gehlot

Director

DIN: 07811873

“Annexure V”

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial
Personnel) Rules, 2014]

To,
The Members,
Velnik India Limited,
CIN: U24100RJ201PLC058778
E-10, Krishi Mandi, Sojat City,
Sojat, Pali 306104 Rajasthan, India.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Velnik India Limited** (hereinafter called "The Company") having CIN: U24100RJ201PLC058778. 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, 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 applicable provisions of:

- I. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not Applicable during the audit period**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; - **Not Applicable during the audit period**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable during the audit period**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable during the audit period**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable during the audit period**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable during the audit period** and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable during the audit period**
- VI. I have relied on the representation made by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis and its officers for system and mechanism framed by the Company for the compliances under the following applicable Act (if applicable), Law & Regulations to the Company:
- a. Workmen's compensation Act, 1923 and all other allied labour laws, as informed /confirmed to us.
 - b. Applicable Direct and Indirect Tax Laws.
 - c. Prevention of Money Laundering Act, 2002.
 - d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
 - e. Drugs and Cosmetics Act, 1940 and the Rules made thereunder.

- f. Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder.
- g. Legal Metrology Act, 2009 and the Rules made thereunder.
- h. The Bureau of Indian Standards (BIS) Act, 2016 and the Rules made thereunder, as applicable.

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

- i. Secretarial Standard with respect to the Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

- a) Certain e-forms were filed with additional fees with Registrar of Companies.
- b) The composition of the POSH (Prevention of Sexual Harassment) committee within the Company is in accordance with the required standards.

As per the information provided by the company, POSH committee is reconstituted as per requirements and comprises of below persons:

S. No	Name	Designation	Position in Committee
1.	Mrs. Manju Devi Gehlot	Director	Presiding Officer
2.	Ms. Vandana Vadech	Executive Officer International Marketing	Member
3.	Mr. Ankit Tiwari	Assistant Manager HR	Member
4.	Mrs. Vaibhavi Wadhwani	Legal Executive	Member
s5.	Mrs. Rekha Ramje	External Independent Member of the Committee	Member

- c) The board at its meeting held on 01st January, 2024 approved and constituted the Finance Committee of the company. The committee is formed to delegate certain powers of board.

Finance Committee comprises of below persons:

S. No	Name	Designation	Position in Committee
1.	Mr. Sukhdev Gehlot	Managing Director	Chairman
2.	Mrs. Manju Devi Gehlot	Director	Member
3.	Mr. Rohit Khandelwal	Independent Director	Member

The Finance Committee was empowered to approve and authorize all financial transactions and expenditures of the company along with the delegation of following powers and authority:

- i. Bank and Demat account opening, operation, and or otherwise closing my account.
 - ii. Borrowing and Lending of monies as per the provisions of the companies act, 2013 subject to the amount per transaction shall not exceed Rs. 100 Crores.
 - iii. Investing of monies, giving of guarantee or providing of security as per the provisions of the Companies Act, 2013 subject to the amount per transaction shall not exceed Rs. 100 crores.
 - iv. Foreign exchange transaction and
 - v. All type of foreign currency contracts.
- d) The company has **created 6 fresh charges** during the audit period. The details are given as below:

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Amount
1	AA7005521	100875216	Punjab National Bank	12/02/2024	23,00,000
2	AA6561691	100841443	Punjab National Bank	02/12/2023	48,000
3	AA6329229	100830169	HDFC Bank Limited	30/11/2023	17,50,000
4	AA5425136	100785409	ICICI Bank Limited	14/08/2023	18,56,000
5	AA3139947	100737221	ICICI Bank Limited	25/05/2023	95,00,000
6	AA2283187	100713562	HDFC Bank Limited	29/04/2023	63,00,000

- e) The company has modified 3 charges during the audit period. The details are given as below:

Sr. No.	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Amount
1	AA6468736	100648116	Union Bank of India	27/10/2022	26/12/2023	45,83,00,000
2	AA5352551	100538954	Punjab National Bank	27/01/2022	28/08/2023	39,62,00,000
3	AA5351258	100538951	Punjab National Bank	27/01/2022	28/08/2023	88,50,00,000

- f) The company has satisfied 21 charges during the audit period. The details are given as below:

Sr. No.	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Satisfaction	Amount
1	AA6945824	100644579	Bajaj Finance Limited	07-10-2022	26-02-2024	15,00,00,000
2	AA6681083	100621373	HDFC Bank Limited	20-08-2022	19-01-2024	7,87,000
3	AA3533221	100546387	ICICI Bank Limited	04-02-2022	11-07-2023	8,39,00,000
4	AA3795692	100546388	ICICI Bank Limited	04-02-2022	27-07-2023	21,60,00,000
5	AA3795487	100538957	ICICI Bank Limited	27-01-2022	27-07-2023	7,40,00,000
6	AA6681057	100468376	HDFC Bank Limited	14-07-2021	17-01-2024	1,17,90,000
7	AA6680777	100413733	HDFC Bank Limited	27-11-2020	19-01-2024	14,62,000
8	AA6569417	100373914	HDFC Bank Limited	03-09-2020	04-01-2024	25,89,000
9	AA6569360	100363715	HDFC Bank Limited	31-07-2020	04-01-2024	29,28,000
10	AA6680989	100326277	HDFC Bank Limited	31-12-2019	14-01-2024	9,22,000

11	AA6680935	100281340	HDFC Bank Limited	25-06-2019	19-01-2024	13,20,000
12	AA6569308	100281778	HDFC Bank Limited	11-06-2019	04-01-2024	2,04,24,440
13	AA6697616	100284855	Sundaram Finance Limited	21-05-2019	29-01-2024	12,43,441
14	AA6914542	100223779	HDFC Bank Limited	05-12-2018	22-02-2024	55,22,800
15	AA6680889	100223778	HDFC Bank Limited	28-08-2018	19-01-2024	94,42,700
16	AA6453301	100243805	IndusInd Bank Limited	23-08-2018	21-12-2023	22,65,000
17	AA6453339	100243816	IndusInd Bank Limited	18-08-2018	21-12-2023	4,46,825
18	AA6453325	100243800	IndusInd Bank Limited	16-08-2018	21-12-2023	18,58,500
19	AA6696537	100253377	Sundaram Finance Limited	20-07-2018	29-01-2024	6,14,000
20	AA6696631	100253376	Sundaram Finance Limited	19-07-2018	29-01-2024	13,31,000
21	AA7130239	100197914	Sundaram Finance Limited	29-06-2018	20-03-2024	11,48,743

I further report that:

The Management of the company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Key Managerial Personnels (KMP's). The below mentioned changes in the composition of the Management of the company that took place during the period under review were carried out in compliance with the provisions of the Act.

- **Mr. Saket Kumar Singh (Membership No. A52828)** was appointed as Company Secretary of the company on 10th April, 2023. However, he tendered his resignation from the position of Company Secretary, effective from June 21, 2023.

- **Mr. Chirag Desla (Membership No. A68513)** was appointed as Company Secretary of the company w.e.f June 21, 2023. This appointment was affirmed by the Board of Directors during the meeting convened June 21, 2023.
- **Mr. Chetan Gehlot (DIN: 08855904)** was appointed as CFO (Chief Financial Officer) as per Section 203 of Companies Act, 2013 of the company w.e.f. August 11, 2023.
- **Ms. Kusum Gehlot (DIN: 10326369)** was appointed as the Additional Non-Executive Director of the Company w.e.f. September 20, 2023.

As per declaration given by the company, adequate notices were generally given to all directors to schedule the Board Meetings and Committee Meetings. Agenda and detailed notes on agenda were generally sent at least seven days in advance except in respect of Board Meetings which were held on shorter notice, in compliance with Section 173(3) of the Companies Act, 2013 detailed notes on agenda were sent for meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Board Committee Meetings are carried out unanimously or by majority as recorded in the Minutes of the Board of Directors of the Company or committee of the Board, as the case may be. The dissenting members' views, if any, are captured and recorded as part of the minutes of the respective meetings.

Based on the information, representation, clarifications and reports provided by the Company, its Board of Directors, its designated officers, and authorized representatives during the conduct of audit, 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.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

I further report that during the audit period, there were:

- a) Increase in authorised share capital of the company **from Rs. 45,00,00,000/- (Rupees Forty-Five Crore only)** divided into 4,15,00,000 (Four crore fifteen lakh) equity shares of Rs. 10/- each amounting to Rs. 41,50,00,000 (Rupees Forty-one Crore and Fifty lakhs) and 3,50,000 (Three lakh fifty thousand) preference shares of Rs. 100/- each amounting to Rs. 3,50,00,000 (Rupees Three crore and fifty lakhs only) **to Rs. 50,00,00,000/- (Rupees Fifty Crore only)** divided into 4,15,00,000 (Four crore fifteen lakh) equity shares of Rs. 10/- amounting to Rs. 41,50,00,000 (Rupees Forty-one Crore and Fifty lakhs) and 3,50,000 (Three lakh fifty thousand) preference shares of Rs. 100/- each amounting to Rs. 3,50,00,000 (Rupees Three crore and fifty lakhs only) and creation of

additional 1,00,000 (one lakh only) preference shares of Rs. 500/- each amounting to Rs. 5,00,00,000 (Five Crore only).

The said revision share capital of the company was approved by members in Extra ordinary general meeting convened on 28th June, 2023.

- b) Private Placement of 1,00,000 Non- convertible Redeemable Preference Shares (“NCPRS” or “Preference Shares”) at face value of Rs. 500/- each having aggregate nominal value of Rs. 5,00,00,000/- (Rupees Five crore only) were **allotted on 27th July, 2023** to three members out of which one is body corporate and other two are Individual. For the above Private Placement Valuation Report was obtained by IBBI Registered Valuer CA Amit Jain (Registration No. IBBI/RV/06/2020/13152).
- c) Redemption / buy-back of securities; - **No instance during audit period**
- d) Merger I amalgamation / reconstruction, etc.; - **No instance during audit period**
- e) Foreign technical collaborations; - **No instance during audit period**

This information stands unmodified, unless otherwise indicated above.

For Yati Mittal & Associates
Company Secretaries

Yati Mittal

Proprietor

M. No. A60378

CP. No. 25176

Peer Review Certificate No. 4033/2023

UDIN: A060378F001164932

Date: 04th September, 2024

Place: New Delhi

**Note: This Report is to be read with our letter of even date which is annexed as Annexure A which forms an integral part of this report.*

**ANNEXURE-A
TO SECRETARIAL AUDIT REPORT**

To,
The Members,
Velnik India Limited
CIN: U24100RJ201PLC058778
E-10, Krishi Mandi, Sojat City,
Na Sojat Pali 306104 Rajasthan India

Subject: Secretarial Audit Report 2023-24

Management's Responsibility:

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

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.

We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.

I have not verified the correctness and appropriateness of financial records and books of account of the Company.

The relevant records have been examined through or received by electronic mode and physical records were not inspected. However, necessary confirmation for the authenticity of the records received has been provided by the Company.

For Yati Mittal & Associates
Company Secretaries

Yati Mittal

Proprietor

M. No. A60378

CP. No. 25176

Peer Review Certificate No. 4033/2023

UDIN: A060378F001164932

Date: 04th September, 2024

Place: New Delhi

Independent Auditors Report

To,
The Members of
Velnik India Limited
(Formerly Known as Velnik India Private Limited)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Velnik India Limited (Formerly known as Velnik India Private Limited) which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flow for the year ended on that date, and a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as “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 in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the companies (Indian accounting standards) Rules 2015 as amended (“Ind As”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and Loss, and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

opinion on financial statements.

Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities on Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 scepticism 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 the relevant internal financial controls relevant to audit in order to design adequate audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the *Annexure-A*, a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit:
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended;
 - e) On the basis of the written representations received from the directors as on 31st March 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer our Report in "*Annexure-B*";
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company does not have any pending litigations which would have impact on its financial position except as disclosed under **Note 32** of the Notes to accounts;
 - b) The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses;
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - d) (i) Based on the representation received from the Management, other than those disclosed in the notes to the financial statements, no funds have been advanced/received or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the intermediary shall lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company/ funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) Based on the representation received from the Management, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iii) Based on audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that

the representations under sub-clause (i) and (ii) contain any material mis-statement.

- e) The Company has not declared/paid any dividend during the year hence reporting under clause Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014, is not applicable
- f) Based on our examination which includes test checks the company has used accounting software for monitoring its books of accounts for the financial year ended March 31st 2024, which has a feature of recording audit trail (edit log) facility and same has operated throughout the year w.e.f May 2023 for all relevant transaction recorded in software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

For S.L. CHHAJED & CO. LLP

Chartered Accountants

(Ruchita Baidmutha)

Partner

M. No.: 406149

UDIN: 24406149BKENOZ6536

Place: Bhopal

Date: 04th September, 2024

Annexure- A to the Independent Auditors' Report:

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements' of our report of even date

- i. a) A. The Company have maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.

B. The Company has maintained proper records showing full particulars of Intangible assets.

b) According to the information and explanations given to us, physical verification of Property, Plant & Equipment is being conducted in a phased manner by the management under a program designed to cover all the property, plant and equipment including intangible assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification to the extent verification was made during the year.

c) According to the information and explanation given to us, the records examined by us, the title deeds of immovable properties as are held in the name of the Company.

d) The Company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets during the year.

e) 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
- ii. a) The Physical Verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by the management is appropriate, no material discrepancies in aggregate for each class of inventory were noticed.

b) The company has been sanctioned working capital limit in excess of five crore rupees during the reporting period, in aggregate, from the bank or financial institutions on the basis of security of current assets. The Quarterly returns or statements filed by the company with banks and financial institutions are not in agreements with books. The details of variance are as below:

(in millions)						
Quarter End	Name of the Bank	Particulars	Amount reported in the	Amount as per books of accounts	Amount of difference	Reason for material variances

			stock statement			
30-06- 2023	Axis Bank	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
	HDFC Bank	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
	PNB Bank	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
	UBI	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
30-09- 2023	Axis Bank	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance
	HDFC Bank	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance
	PNB Bank	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance
	UBI	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance

31-12-2023	Axis Bank	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
	HDFC Bank	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
	PNB Bank	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
	UBI	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
31-03-2024	Axis Bank	Inventory	919.47	919.47	-	There is no material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance
	HDFC Bank	Inventory	919.47	919.47	-	There is no material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance
	PNB Bank	Inventory	919.47	919.47	-	There is no material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance
	UBI	Inventory	919.47	919.47	-	There is no

						material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance

- iii. According to the documents and records produced before us the company has not made any investment or has not provided any loans or advances in the nature of loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or any other parties during the reporting period. Therefore, the reporting requirements under the paragraph (iii) (a-A, B), (iii) (b), (iii) (c), (iii) (d), (iii) (e) and (iii) (f) of Paragraph 3 of the Order are not applicable.
- iv. According to the documents and records produced before us company has not made any investment or has provided any loans or advances in the nature of loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or any other parties during the reporting period. Provisions of clause 3(iv) is not applicable.
- v. Based on our examination of the Company's records and according to the information and explanations given to us, the company has not accepted any deposits from public (including deemed deposits) during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014. Further, no order has been passed by Company Law Board or National Company Law Tribunal, or Reserve Bank of India or any court or any other tribunal. Hence reporting requirements of paragraph 3(v) of the Order are not applicable.
- vi. The provisions of section 148(1) read with Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government of the Companies Act, 2013 are not applicable to the company. Hence, reporting requirements of paragraph 3(vi) of the Order are not applicable.
- vii. (a) According to information and explanations given to us and our examination of records the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax and any other statutory dues to the appropriate authorities and no undisputed amount is payables in respect of provident fund, income tax, goods and service tax, cess and other material statutory dues which were arrear as on 31st March, 2024 for more than six months from the date it became payable.
- (b) According to the information and explanations given to us, the particulars of Goods and Service Tax, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, which have not been deposited on account of dispute are as under:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount not deposited as at 31/03/2024
Income Tax Act 1961	Income Tax	Assistant Commissioner of Income Tax DC CEN CIR2,JDH	AY 2022	18,87,25,130.00 (including Interest)

- viii. According to the records examined by us and the information and explanations given to us, there were no transactions found unrecorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a) According to the information and explanations and as verified from books of accounts, the company has not defaulted in repayment of loans or interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the company has applied terms loans for the purpose for which loans were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we are unable to conclude that no funds raised on short-term basis have been used for long-term purposes by the company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- x. a. There is no money raised by ways of initial public offer or further public offer (including debt instruments) during the year. The provision of clause 3(x) (a) are not applicable.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement

- of Non-Convertible Redeemable Preference shares during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi. a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud or by the company, noticed or reported during the year, nor we have been informed of such case by the management.
- b) To the best of our knowledge and information with us there is no instance of fraud reportable under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As per information and explanation given by management there were no whistle blower complaints received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Accordingly, reporting under paragraph 3(xii) (a-c) of the order is not applicable.
- xiii. In our opinion and explanations given to us section 177 and 188 of Companies Act, 2013 with regard to transactions with related party have been complied with and all details as per Indian Accounting Standard have been disclosed in the Financial Statements.
- xiv. a) In our opinion and based on our examination, the company have an internal audit system commensurate with the size and nature of its business.
- b) The reports of the internal auditor for the period under audit was considered.
- xv. According to information and explanations given to us the company has not entered into any non-cash transaction with the directors or person connected with him. Hence, the reporting requirement under paragraph 3(xv) of the order is not applicable to the company
- xvi. a) In our opinion and information provided to us the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.
- b) Company is not a NBFC, hence the reporting in this clause is not required.
- c) Company is not a CIC, hence the reporting in this clause is not required.
- d) This clause is not applicable to the company as it is not NBFC.
- xvii. Based on overall review of standalone financial statements, Company has incurred Rs. 64.57 million cash losses in the current financial year and NIL in the immediately

preceding financial year.

- xviii. There has no resignation of the statutory auditors during the year of audit, hence reporting under clause (xviii) of Para 3 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 realization 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 explanations given to us and based on our verification, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of section 135 of the act read with schedule VII. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xx) of the Order is not applicable

For S.L. Chhajed & Co. LLP

Chartered Accountants

Firm Registration No.: 000709C/ C400277

Ruchita Baidmutha

Partner

Membership No.: 406149

UDIN: 24406149BKENOZ6536

Date: 04th September, 2024

Place: Bhopal

Annexure- B

TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Control over Financial Reporting Under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial control over financial reporting of **Velnik India Limited** (formerly known as Velnik India Private limited) as of 31 March, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal finance controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the Internal control over financial reporting criteria established by the Company considering the essential components of

Annual Report

2023-2024



internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.L. Chhajed & Co. LLP

Chartered Accountants

Firm Registration No.: 000709C/ C400277

Ruchita Baidmutha

Partner

Membership No.: 406149

UDIN: 24406149BKENOZ6536

Date: 04th September, 2024

Place: Bhopal

VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

CIN :U24100RJ2017PLC058778

Balance Sheet As At March 31st, 2024

(Amount in INR Million)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	4	1,133.06	1,003.60
(b) Capital work-in-progress	4	37.79	60.21
(c) Intangible assets	5	6.79	10.54
(d) Financial Assets			
i. Other Financial Assets	6	25.74	25.65
(e) Other non-current assets	11	13.63	17.52
Total Non Current Assets		1,217.00	1,117.51
Current Assets			
(a) Inventories	7	919.47	843.67
(b) Financial Assets			
i. Trade Receivable	8	533.75	942.95
ii. Cash and Bank Balance	9	2.89	5.88
iii. Bank Balances Other than (ii) above	10	7.42	27.80
iv. Other Financial Assets	6	11.10	-
(c) Other current assets	11	196.57	384.65
Total Current Assets		1,671.20	2,204.96
Total Assets		2,888.20	3,322.47
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	13	333.51	333.51
(b) Other Equity	14	291.04	421.66
Total Equity		624.56	755.17
Liabilities			
Non Current Liabilities			
(a) Financial Liability			
i. Borrowings	15	476.63	512.63
ii. Lease Liabilities	16	137.60	165.20
iii. Other financial liabilities	17	300.42	276.72
(b) Provision	20	5.82	7.50
(c) Deferred Tax Liability	12	3.84	40.74
Total Non Current Liabilities		924.31	1,002.78
Current Liabilities			
(a) Financial Liability			
i. Borrowings	15	833.82	964.22
ii. Lease Liabilities	16	46.44	46.70
iii. Trade Payable	18		
Total outstanding dues of micro enterprises and small enterprises		45.66	10.28
Total outstanding dues of creditors other than micro enterprises and small enterprise		333.11	392.78
iv. Other financial liabilities	17	56.47	61.68
(b) Other current liabilities	19	20.86	72.49
(c) Provision	20	2.98	4.04
(d) Current tax liabilities (net)	21	-	12.32
Total Current Liabilities		1,339.34	1,564.51
Total Liabilities		2,263.65	2,567.30
Total Equity and Liabilities		2,888.20	3,322.47

Material Accounting Policies and Notes forming integral part of the Financial Statements

As per our report of even date attached
For S.L. Chhajed & Co. LLP
Chartered Accountants
Firm Registration Number: 000709C/C400277



CA Ruchita Baidmutha
Partner
Membership No. 406149

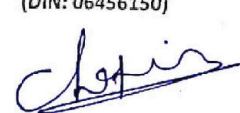



Date: Sept. 4th, 2024
Place: Indore


For and on behalf of the Board of Director


Sukhdev Gehlot
Managing Director
(DIN: 06456150)


Manju Devi Gehlot
Director
(DIN : 07811873)


Chetan Gehlot
Chief Financial Officer
MN No.
Date: Sept. 4th, 2024
Place: Indore


Chirag Desla
Company Secretary
MN No. A68513



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

CIN :U24100RJ2017PLC058778

Statement of Profit and Loss As At March 31st, 2024

(Amount in INR Million)

Particulars	Notes	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Income			
Revenue from Operation (net)	22	3,223.73	3,489.85
Other Income	23	15.44	1.25
Total Income (I)		3,239.16	3,491.11
Expenses			
Cost of materials consumed	24	1,601.46	1,506.12
Purchase of Traded Goods		109.18	213.32
Changes in inventories of finished goods and Stock-in-Trade	25	(103.43)	(20.83)
Employee benefits expense	26	493.53	496.43
Finance costs	27	216.72	176.62
Depreciation and amortization expense	28	106.16	79.06
Other expenses	29	986.26	862.29
Total Expenses (II)		3,409.89	3,312.99
Profit before exceptional items and tax (I-II)		(170.73)	178.12
Exceptional Items		-	-
Profit before tax		(170.73)	178.12
Tax expense:	21		
Current tax		-	43.04
Deferred tax		(38.73)	11.06
Total Tax expense		(38.73)	54.10
Profit for the Year from continuing operations		(132.00)	124.02
Profit from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit for the period		(132.00)	124.02
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit & loss			
Remeasurement of gains (losses) on defined benefit plans	32	3.21	3.96
Income tax relating to items that will not be reclassified to profit & loss		(0.73)	(1.00)
B. items that will be reclassified to Profit & Loss			
Income tax relating to items that will be reclassified to profit&loss		-	-
Total Other Comprehensive Income for the Period		2.49	2.96
Total Comprehensive Income for the Period comprising profit and Other Comprehensive income		(129.51)	126.98
Earnings per equity share (for continuing operation)			
Basic & Diluted	30	(3.96)	3.75
Earnings per equity share (for discontinuing operation)			
Basic & Diluted		(3.96)	3.75
Earnings per equity share (for continuing operation and discontinuing operations)			
Basic & Diluted		(3.96)	3.75

Material Accounting Policies and Notes forming integral part of the Financial Statements

As per our report of even date attached
For S.L. Chhajed & Co. LLP
Chartered Accountants
Firm Registration Number: 000709C/C400277

For and on behalf of the Board of Directors


CA Ruchita Baidmutha
Partner
Membership No. 406149




Sukhdev Gehlot
Managing Director
(DIN: 06456150)


Manju Devi Gehlot
Director
(DIN : 07811873)


Chetan Gehlot
Chief Financial Officer
MN No.


Chirag Desla
Company Secretary
MN No. A68513



Date: Sept. 4th, 2024
Place: Indore

Date: Sept. 4th, 2024
Place: Indore

VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

CIN :U24100RJ2017PLC058778

Statement of Cash Flow As At March 31st, 2024

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax from:		
Continuing operations	(170.73)	178.12
Profit/ (Loss) before income tax	(170.73)	178.12
Adjustments for:		
Depreciation expense	106.16	79.06
Interest income	(1.18)	(0.72)
Loss on Sale of Fixed Assets	-	0.25
Finance costs	216.72	176.62
Provision against Expected Credit Loss	0.58	0.97
Foreign Exchange Fluctuation (Gain)/ Loss	(0.42)	1.34
Credit balance write back	(12.81)	-
Debit balance write off	5.48	-
Operating profit before working capital changes	314.52	257.52
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	408.62	(371.00)
(Increase)/Decrease in inventories	(75.79)	(119.66)
(Increase)/Decrease in Other Bank Balance	20.38	(25.27)
Increase/(decrease) in trade payables	(11.48)	82.23
(Increase)/ Decrease in other current assets	193.70	(234.47)
(Increase)/ Decrease in other non current financial assets	(0.09)	(17.34)
(Increase)/ Decrease in other current financial assets	(11.10)	-
Increase/ (Decrease) in other non current assets	3.89	24.50
Increase/ (Decrease) in Current other financial liabilities	(5.21)	15.98
Increase/ (Decrease) in Non Current other financial liabilities	23.70	21.04
Increase/ (Decrease) in other current liabilities	(51.63)	(4.16)
Increase/ (Decrease) in provisions	0.47	6.03
Cash generated from operations	495.46	(622.14)
Less : Income tax paid (net of refund)	(11.10)	(29.17)
Net cash inflow from operating activities	628.16	(215.67)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(231.86)	(236.73)
Proceeds from sale of fixed assets	-	14.73
Payments for Capital work in progress	10.52	6.31
Interest received	1.18	0.64
Net cash (Used in)/generated from investing activities	(220.16)	(215.05)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Equity Share	-	332.49
Proceeds from Share Premium	-	(65.44)
Proceeds from borrowings	(66.25)	51.26
Net change in current borrowings	(130.40)	309.08
Interest and finance charges paid	(167.63)	(142.71)
Payment Towards Lease Obligation	(46.70)	(50.07)
Net cash inflow (outflow) from financing activities	(410.98)	434.61
Net increase (decrease) in cash and cash equivalents	(2.99)	3.89
Cash and Cash Equivalents at the beginning of the financial year	5.88	1.99
Cash and Cash Equivalents at end of the year	2.89	5.88
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks	1.64	4.74
- Deposits with original maturity of less than three months	-	0.11
Cash on hand	1.25	1.03
Balances per statement of cash flows	2.89	5.88

Notes :

- (1) Statement of cash flow has been prepared under the indirect method as set out in the Ind AS 7 - Statement of Cash flow.
- (2) Previous year's figures have been regrouped/reclassified wherever applicable.
- (3) Closing balance of Cash & Cash Equivalents includes exchange variation Profit of ` 0.42 Millions on March 31, 2024 (Previous year loss ` 1.34).

Change in Liability arising from financing Activity, Please refer Note No. 15

As per our report of even date attached
For S.L. Chhajed & Co. LLP
Chartered Accountants
Firm Registration Number: 000709C/C400277

Ruchita Baidmutha

CA Ruchita Baidmutha
Partner
Membership No. 406149



Date: Sept. 4th, 2024
Place: Indore

For and on behalf of the Board of Directors

Sukhdev Gehlot *Manju Devi Gehlot*

Sukhdev Gehlot
Managing Director
(DIN: 06456150)

Manju Devi Gehlot
Director
(DIN : 07811873)

Chetan Gehlot

Chetan Gehlot
Chief Financial Officer
MN No.

Date: Sept. 4th, 2024
Place: Indore

Chirag Desai

Chirag Desai
Company Secretary
MN No. A68513



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

CIN :U24100RJ2017PLC058778

Statement of Changes in Equity As At March 31st, 2024

A. Share Capital

(Amount in INR Million)

Particulars	Balance at the Beginning of the period	Changes in share capital due to prior period errors	Changes in share capital during the year	Balance at the end of the period
March 31, 2024				
(a) Equity Share Capital				
Numbers	33,351,402	-	-	33,351,402
Amount (in Million)	333.51	-	-	333.51
(b) Preference Share Capital				
Numbers	340,000.00	-	100,000.00	440,000.00
Amount (in Million)	34.00	-	50.00	84.00
March 31, 2023				
(a) Equity Share Capital				
Numbers	102,389	-	33,249,013	33,351,402
Amount (in Million)	1.02	-	332.49	333.51
(b) Preference Share Capital				
Numbers	340,000.00	-	-	340,000
Amount (in Million)	34.00	-	-	34.00

Note: Company has Non Convertible Redeemable Preference Shares and hence, these shares are disclosed under Borrowings as per IND AS 32.

B. Other Equity

(1) Current reporting period

(Amount in INR Million)

Particulars	Security Premium	Retained Earnings	Other components of Other Comprehensive Income	Total
Balance at the beginning of the current reporting period	141.03	278.26	2.37	421.66
Changes in accounting policy or prior period errors	-	-	-	-
Restated balances as at April 1, 2023	-	-	-	-
Additional during the period	-	-	-	-
Profit for the period	-	(132.00)	-	(132.00)
Other comprehensive income	-	-	2.49	2.49
Other adjustments	-	-	(1.11)	(1.11)
Total comprehensive income for the year	-	(132.00)	1.38	(130.62)
Balance at the end of the current reporting period	141.03	146.26	3.75	291.04

(2) Previous reporting period

(Amount in INR Million)

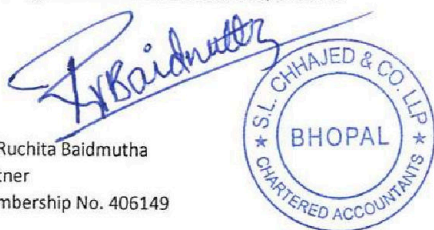
Particulars	Security Premium	Retained Earnings	Other components of Other Comprehensive Income	Total
Balance at the beginning of the previous reporting period	206.48	154.24	(0.59)	360.12
Changes in accounting policy or prior period errors	-	-	-	-
Restated balances as at April 1, 2022	-	-	-	-
Additional during the period	(65.44)	-	-	(65.44)
Profit for the period	-	124.02	-	124.02
Other comprehensive income	-	-	2.96	2.96
Other adjustments	-	-	-	-
Total comprehensive income for the year	(65.44)	124.02	2.96	61.54
Balance at the end of the previous reporting period	141.03	278.26	2.37	421.66

As per our report of even date attached

For S.L. Chhajed & Co. LLP

Chartered Accountants

Firm Registration Number: 000709C/C400277



CA Ruchita Baidmutha
Partner
Membership No. 406149

Date: Sept. 4th, 2024
Place: Indore

For and on behalf of the Board of Directors

Sukhdev Gehlot
Director
(DIN: 06456150)

Chetan Gehlot
Chief Financial Officer
MN No.

Date: Sept. 4th, 2024
Place: Indore

Manju Devi Gehlot
Director
(DIN : 07811873)

Chirag Desai
Company Secretary
MN No. A68513



Velnik India Limited (formerly known as Velnik India Private Limited)

CIN :U24100RJ2017PLC058778

Notes to Financial Statements As At March 31st, 2024

1 Corporate Information

Velnik India Limited (Formerly Known as Velnik India Pvt Ltd) (the "Company") is a company domiciled in India. The Company has been incorporated on August 11, 2017 under the provisions of the Companies Act, 2013. The Company's registered office is E-10, Krishi Mandi, Sojat City, Pali, Rajasthan and its Administrative and Marketing Office is situated at 516-517, Mundi Road, near Dutt Cold Storage, Shiv City Silver, Bijalpur, Indore, Madhya Pradesh - 452012.

The Company is engaged in the business of manufacturing and supplies of Ready to use Mehendi Cone, Hair care, Cosmetics and Personal care products, Ayurvedic which operates with dominance in the Indian and International market with its key consumer products offered in different categories.

BASIS OF PREPARATION, MEASUREMENT, AND MATERIAL ACCOUNTING POLICIES

2 Material Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provision of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof as well as with the additional requirements applicable to financial statements as set forth in Companies Act, 2013 and amended thereof.

The Financial Statements are have been prepared on accrual and going concern basis. The accounting policies are applied using the date of transition to Ind AS. All the Assets and Liabilities have been classified as current and non current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company had ascertained its operating cycle as 12 months for the purpose of current or non current classification of assets and liabilities.

2.1

a Basis of measurement

The Financial Statements are have been prepared under the historical cost convention unless otherwise indicated.

2.2 Summary of Material accounting policies

2.2.1 Property, plant and equipment:

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The Company follows cost model for subsequent measurement for all classes and items of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognized in the Profit or Loss.

Spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment if they meet the definition of property, plant and equipment.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation on Tangible Fixed Assets is provided on Straight Line Method on the basis of useful life of assets specified in Part C of Schedule II of the Companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the day of addition / deletion.

Gains and losses on disposals are determined by comparing the proceeds with the carrying method.

The residual values are not more than 5% of the original cost of the asset, wherever applicable.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes there-in are considered as change in estimate and accounted prospectively.



Velnik India Limited (formerly known as Velnik India Private Limited)

CIN :U24100RJ2017PLC058778

Notes to Financial Statements As At March 31st, 2024

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Useful life is the period for which assets is intended to be used and the useful lifer for each class of depreciable assets are as under -

Assets	Years
Building	30
Plant and Machinery	15
Furniture & Fixtures and Electrical Installations	10
Vehicle	8 to 10
Computer	3
Office equipment's	5 to 10
Right of User Assets	As per terms of lease
Intangible Assets	5

Derecognition

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

Upon First time adoption of Ind As, the company has elected to measure all its property, plant and equipment at previous GAAP carrying amount as its deemed cost on the date of transition to Ind As, i.e. 1st April, 2020.

2.2.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Upon first time adoption of Ind As, the Company has elected to measure its intangible assets at Previous GAAP carrying amount as its deemed cost on the date of transition to Ind As, i.e. 1st April, 2020.

Useful life and amortization

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis over the useful lives of the asset from the date of capitalization:

Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount.

Impairment of Property, Plant and Equipment

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognized in statement of profit and loss.

2.2.3 Inventories:

Inventories are carried in the balance sheet as follows:

(i) Raw materials, components, stores and spares :

Raw materials, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on a FIFO basis and includes all applicable duties and taxes.



(ii) **Work-in-progress and Finished goods:**

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to the individual items in a group of inventories on the basis of First in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.2.4 Statement of Cash Flows:

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

(i) **Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.2.5 Foreign currency transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.2.5 Revenue recognition:

(i) **Sale of goods**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognized as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Revenue from sales is recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

Accounting for Claims

(ii)

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received.

(iii) **Interest income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding using the effective interest rate method.

(iv) **Dividend income**

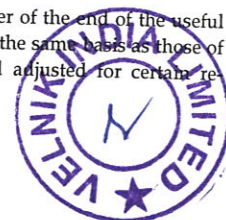
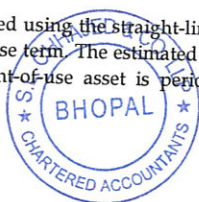
Revenue is recognized when the company's right to receive the payment is established.

2.2.6 Leases

(i) **Company 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 re-measurements 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, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) **Short-term leases and leases of low-value assets Company as a lessee:**

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of less than 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) **Company as a lessor:**

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.2.7 Employee Benefits

(i) **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(ii) **Post-Employment Benefits**

The company operates the following post-employment

- (i) defined benefit plans and
- (ii) defined contribution plans

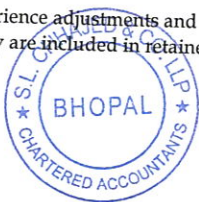
Defined benefit plans - Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.



Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans - Provident fund

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.2.8 Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets. Borrowing costs are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.2.9 Earnings Per Share:

Basic earnings per share are 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 is adjusted for events of bonus issue; bonus element in a rights issue, 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.2.10 Taxes on Income:

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or 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 in the countries where the company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI (Other Comprehensive Income) or directly in equity. 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.

(ii) Deferred tax

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 recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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

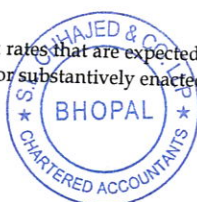
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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.



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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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

2.2.11 Provisions, Contingent liabilities, Contingent assets and Commitments:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized 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 recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- a present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.2.12 Current and Non-current Classification:

The Company's presents assets and liabilities in the balance sheet are based on current/non-current classification.

An asset as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

2.2.13 Fair Value Measurement:

The Company measures financial instruments of certain investments at fair value, at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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 economic best 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2.14 Financial instruments

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:

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

After initial recognition, financial assets (other than investments in subsidiaries and joint ventures) are measured either at:

- i) fair value (either through other comprehensive income or through profit or loss) or,
- ii) amortized cost

Measured at amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any, the amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) net of taxes.

Interest income measured using the EIR method and impairment losses, if any are recognized in Profit and Loss.



Gains or Losses on De-recognition

In case of investment in equity instruments classified as the FVOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVOCI, the gains or losses on de-recognition are reclassified to statement of Profit and Loss.

Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

The Company measures all its investments in equity (other than investments in subsidiaries and joint ventures) and mutual funds at FVTPL.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognized in Profit and Loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are recognized in Profit and Loss.

Impairment of financial assets:

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

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

De-recognition:

A financial asset is de-recognized only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset.

Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

2.2.15 Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially



Subsequent measurement

Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in Profit and Loss.

De-recognition.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty

2.2.16 Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, Estimates and assumptions

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 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.

3.1 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual

3.2 Estimation of Defined benefit obligations/ plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.3 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.



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4. PROPERTY, PLANT AND EQUIPMENT

Refer point 2.2.1 of Corporate and Accounting Info for accounting policy on property, plant and equipment (PPE)

(Amount in INR Million)

Particular	As at March 31, 2024	As at March 31, 2023
Gross block	1,412.83	1,181.21
Less: Accumulated depreciation	279.78	177.62
Net block	1,133.06	1,003.60

The Net block includes Rs. 180.45 Million (Previous Year 220.58) in respect of ROU Assets.

The company had opted for exemption under IndAS 101, and accordingly carrying value as on 31/03/2020 was considered as deemed cost on the IndAS transition date.

Capital work in progress

(Amount in INR Million)

Particular	As at March 31, 2024	As at March 31, 2023
Plant & machinery and other equipment's:	-	-
Construction work-in-progress -Civil	37.79	60.21
Construction stores (including in transit)	-	-
Total	37.79	60.21

(Amount in INR Million)

Particulars	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computer	Office Equipment's	Electric Installations	Solar Power Plant	Capital Work in Progress	Total
GROSS CARRYING VALUE											
As at March 31, 2023	27.57	382.86	252.98	24.67	122.66	5.39	41.87	20.00	47.41	60.21	985.61
Additions		163.40	26.21	5.27	28.35	1.28	3.07	4.04		137.77	369.39
Disposals\Adjustments during the year			(0.01)		0.01					(160.19)	(160.19)
As at March 31, 2024	27.57	546.26	279.19	29.94	151.02	6.67	44.93	24.03	47.41	37.79	1,194.81
ACCUMULATED DEPRECIATION/IMPAIRMENT											
As at March 31, 2023	-	29.48	43.08	5.35	40.09	3.29	12.24	4.35	4.50	-	142.38
Depreciation for the year		12.19	16.99	2.58	16.98	1.28	7.14	2.06	3.01		62.22
Deductions\Adjustments during the year							(0.19)				(0.19)
As at March 31, 2024	-	41.67	60.07	7.93	57.07	4.57	19.19	6.41	7.51	-	204.42
Net Carrying value as at March 31, 2024	27.57	504.59	219.12	22.01	93.94	2.10	25.74	17.63	39.90	37.79	990.39
Net Carrying value as at March 31, 2023	27.57	353.38	209.90	19.32	82.57	2.10	29.62	15.65	42.91	60.21	843.23

Notes:

Gross Block as at 31.03.2024 includes assets condemned and retired from active use Rs. Nil (Previous year Rs. Nil).
 Net Block as at 31.03.2024 includes assets condemned and retired from active use Rs. Nil (Previous year Rs. Nil).
 Refer to Note 38 for information on property, plant and equipment pledge as security by the company.
 There is no asset for which provision for impairment is required to be made as per Ind AS - 36 Impairment of Assets.
 Refer to Note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
 There are no projects that are temporarily suspended during the financial year.
 The company has not revalued its fixed assets during the financial year 2023-24.



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Ageing of CWIP

Amount in CWIP for a period ended 31st March 2024	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	32.54	5.25	-	-	37.79
Projects Temporarily Suspended	-	-	-	-	-
Total	32.54	5.25	-	-	37.79
Amount in CWIP for a period ended 31st March 2023	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	60.21	-	-	-	60.21
Projects Temporarily Suspended	-	-	-	-	-
Total	60.21	-	-	-	60.21

Capital work in progress mainly comprises factory building

RIGHT OF USE ASSETS

(Amount in INR Million)

Particulars	Building	Leasehold Land	Vehicle	Plant and Machinery	Total
GROSS CARRYING VALUE					
As at March 31, 2023	111.24	0.94	1.99	141.64	255.81
Additions	-	-	-	-	-
Disposals\Adjustments during the year	-	-	-	-	-
As at March 31, 2024	111.24	0.94	1.99	141.64	255.81
ACCUMULATED DEPRECIATION/IMPAIRMENT					
As at March 31, 2023	21.15	0.55	1.82	11.71	35.23
Depreciation for the year	11.37	0.21	0.17	28.39	40.13
Deductions\Adjustments during the year	-	-	-	-	-
As at March 31, 2024	32.52	0.75	1.99	40.10	75.36
Net Carrying value as at March 31, 2024	78.72	0.19	(0.00)	101.54	180.45
Net Carrying value as at March 31, 2023	90.09	0.39	0.17	129.93	220.58

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

5. INTANGIBLE ASSETS

(Amount in INR Million)

Particular	As at March 31, 2024	As at March 31, 2023
Gross block	25.27	25.22
Less: Accumulated depreciation	18.49	14.68
Net block (details refer to note below)	6.79	10.54

The company had opted for exemption under IndAS 101, and accordingly carrying value as on 31/03/2020 was considered as deemed cost on the IndAS transition date. There has no impairment loss during the year.



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Intangible assets under development

(Amount in INR Million)

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	-	-

(Amount in INR Million)

Particulars	(Amount in INR Million)		
	Software	Brands or Trade Marks	Total
GROSS CARRYING VALUE			
As at March 31, 2023	1.72	23.50	25.22
Additions	0.05	-	0.05
Disposals\Adjustments during the year	-	-	-
As at March 31, 2024	1.77	23.50	25.27
ACCUMULATED DEPRECIATION/IMPAIRMENT			
As at March 31, 2023	1.26	13.42	14.68
Depreciation for the year	0.24	3.57	3.81
Deductions\Adjustments during the year	-	-	-
As at March 31, 2024	1.50	16.99	18.49
Net Carrying value as at March 31, 2024	0.27	6.51	6.79
Net Carrying value as at March 31, 2023	0.46	10.08	10.54



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6. FINANCIAL ASSETS

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
OTHER FINANCIAL ASSETS		
Non Current		
Financial assets carried at amortised cost		
Bank Deposits with more than 12 months maturity	0.01	0.03
Interest Accrued on Bank Deposits	-	0.03
Security Deposits		
Unsecured, considered good	-	-
Deposits with SEB's, port trust & Others	25.72	25.58
Total	25.74	25.65
Current		
Advance Tax Paid	7.50	-
TDS/ TCS Receivable	3.60	-
Total	11.10	-

Includes:

 Due from Directors

-

-

 Due from Officers

-

-



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Notes to Financial Statements As At March 31st, 2024

7. INVENTORIES

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Raw materials and components (Valued at lower of Cost and Net Realisable value)	771.89	799.52
Material in Transit	-	-
Work in Process (including items with sub- contractors)	-	-
Finished goods	147.49	27.81
Stores & spare parts	-	-
Production	-	-
Any other Major Class of Goods	-	-
Miscellaneous goods	-	-
Trading Goods	-	-
Total	0.09	16.34
	919.47	843.67

Inventories:

Inventories are carried in the balance sheet as follows:

(i) Raw materials, components, stores and spares :

Raw materials, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on a FIFO basis and includes all applicable duties and taxes.

(ii) Work-in-progress and Finished goods:

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to the individual items in a group of inventories on the basis of First in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

8. TRADE RECEIVABLES

Refer point 14 of Note [2] for accounting policy on impairment of financial assets

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Secured	300.42	276.37
Trade Receivables considered good - Unsecured	233.34	666.58
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	2.44	1.87
	536.20	944.82
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Doubtful	(2.44)	(1.87)
	(2.44)	(1.87)
Total	533.75	942.95

Debts due by Directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member as at 31st March 2024 is Nil (31st March 2023: Nil).



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Notes to Financial Statements As At March 31st, 2024

8.1 Trade Receivables Ageing Schedule :

(Amount in INR Million)

As at March 31, 2024	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables						
(a) considered good (Others)	504.96	4.83	20.66	0.20	3.11	533.75
(b) considered good (Related Party)	-	-	-	-	-	-
(c) Which have significant increase in credit risk	-	-	-	-	-	-
(d) credit impaired	0.74	0.07	0.69	0.02	0.92	2.44
(ii) Disputed Trade receivables						
(a) considered good (Others)	-	-	-	-	-	-
(b) considered good (Related Party)	-	-	-	-	-	-
(c) Which have significant increase in credit risk	-	-	-	-	-	-
(d) credit impaired	-	-	-	-	-	-
Sub Total	505.71	4.89	21.35	0.22	4.03	536.20
Less: Allowance for credit impaired/Expected credit loss	(0.74)	(0.07)	(0.69)	(0.02)	(0.92)	(2.44)
Total	504.96	4.83	20.66	0.20	3.11	533.75

As at March 31, 2023	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables						
(a) considered good (Others)	924.58	8.09	0.61	3.74	5.93	942.95
(b) considered good (Related Party)	-	-	-	-	-	-
(c) Which have significant increase in credit risk	-	-	-	-	-	-
(d) credit impaired	0.48	0.05	0.01	0.21	1.13	1.87
(ii) Disputed Trade receivables						
(a) considered good (Others)	-	-	-	-	-	-
(b) considered good (Related Party)	-	-	-	-	-	-
(c) Which have significant increase in credit risk	-	-	-	-	-	-
(d) credit impaired	-	-	-	-	-	-
Sub Total	925.06	8.13	0.62	3.94	7.06	944.82
Less: Allowance for credit impaired/Expected credit loss	(0.48)	(0.05)	(0.01)	(0.21)	(1.13)	(1.87)
Total	924.58	8.09	0.61	3.74	5.93	942.95



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Notes to Financial Statements As At March 31st, 2024

9. CASH AND CASH EQUIVALENTS

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks on current accounts	1.64	4.74
- Deposits with original maturity of less than three months	-	0.11
Cash on hand	1.25	1.03
Total	2.89	5.88

There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
<i>Fixed deposits having maturity more than 3 months but not more than 12 months</i>		
Other deposits with banks	7.42	27.80
	7.42	27.80



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Notes to Financial Statements As At March 31st, 2024

11. OTHER ASSETS

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Non Current		
Capital Advances	12.89	15.99
Others		
Payment of Taxes (Net of Provisions)	-	-
Prepaid Expenses	0.74	1.53
Total	13.63	17.52
Current		
Unsecured, considered good		
Advances other than Capital advances		
- Advances to Staff	1.50	1.32
- Advances to Supplier	31.62	208.56
- Advance to Suppliers - Related Party	1.63	-
- Accrued Interest	-	-
Others		
- Prepaid expenses	8.84	7.98
- Balances with Statutory and Government Authorities	152.98	166.80
Total	196.57	384.65

12. INCOME TAX

Deferred Tax

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Timing differences in the carrying amount of property, plant and equipment	43.50	39.84
Carry Forward Losses	(38.34)	-
Provision for Doubtful Debt	(0.61)	(0.51)
Lease Obligation Net	(0.90)	2.18
Gratuity	(1.31)	(2.01)
Leave Encashment	(0.91)	(1.27)
Deferred Borrowing Cost	0.40	0.81
Prepaid Expenses	2.01	1.69
MAT credit entitlement	-	-
Net Deferred Tax (Assets) / Liabilities	3.84	40.74



Movement in deferred tax liabilities

(Amount in INR Million)

Particulars	Net balance as at 1 April	Recognized in Profit & Loss	Recognized in OCI	Recognized in Equity	Balance as at March 31, 2024		
					Net	Deferred Tax Assets	Deferred Tax Liabilities
Property Plant and equipment	39.84	(3.66)	-	-	43.50	-	43.50
Carryforward Losses	-	38.34	-	-	(38.34)	(38.34)	-
Provision for Doubtful Debt	(0.51)	0.11	-	-	(0.61)	(0.61)	-
Lease Obligation Net	2.18	3.09	-	-	(0.90)	(0.90)	-
Gratuity	(2.01)	0.02	(0.73)	-	(1.31)	(1.31)	-
Leave Encashment	(1.27)	0.75	-	(1.11)	(0.91)	(0.91)	-
Deferred Borrowing Cost	0.81	0.40	-	-	0.40	-	0.40
Prepaid Expenses	1.69	(0.32)	-	-	2.01	-	2.01
	40.74	38.73	(0.73)	(1.11)	3.84	(42.07)	45.91

Unrecognised deferred tax assets

(Amount in INR Million)

	As at March 31, 2024	As at March 31, 2023
Unrecognised tax losses	-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Major Components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are as follows:

i. Income tax recognised in profit or loss

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Current income tax charge	-	43.04
MAT Tax / (MAT Credit)	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	(38.73)	11.06
Income tax expense recognised in profit or loss	(38.73)	54.10

ii. Income tax recognised in OCI

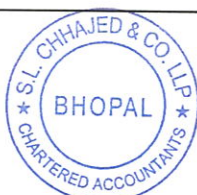
(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Net loss/(gain) on premeasurements of defined benefit plans	(0.73)	(1.00)
Income tax expense recognised in OCI	(0.73)	(1.00)

iii. Income tax recognised in Equity

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Net loss/(gain) on premeasurements of defined benefit plans	(1.11)	-
Income tax expense recognised in OCI	(1.11)	-



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Notes to Financial Statements As At March 31st, 2024

13. SHARE CAPITAL

Authorised Equity Share Capital

(Amount in INR Million)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
Equity shares of INR 10 each (March 31, 2023 INR 10 each)	41,500,000	415.00	41,500,000	415.00
3,50,000 Preference Shares of INR 100 each & 1,00,000 Preference Shares of INR 500 each (March 31, 2023, 3,50,000 Preference Shares of INR 100 each)	450,000.00	85.00	350,000	35.00
Issued:				
Equity shares of INR 10 each (March 31, 2023 INR 10 each)	33,351,402	333.51	33,351,402	333.51
Subscribed and Fully paid-up:				
Equity shares of INR 10 each (March 31, 2023 INR 10 each)	33,351,402	333.51	33,351,402	333.51
	33,351,402	333.51	33,351,402	333.51

Preference Share Capital

(Amount in INR Million)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Non Convertible Redeemable Preference	440,000	84.00	340,000	34.00

Terms/rights attached to equity shares

(a) The company has only one class of shares referred to as Equity shares having a face value of INR 10 each (March 31, 2023: INR 10 each). Each holder of equity shares is entitled to one vote per share. The company pays dividends in Indian rupees if declared by the board subject to the approval of the shareholders in the Annual General Meeting.

Terms/rights attached to preference shares

(b) the company has preference shares with a face value of INR 100 each (as of March 31, 2023: INR 100 each). The Redemption Premium for these shares is designed to yield an internal rate of return (IRR) of 18.92% per annum on the outstanding balance, payable at redemption. These preference shares have a tenure of four years and are scheduled for redemption in the financial year 2025-26. Additionally, the company has issued another class of preference shares with a face value of INR 500 each. The Redemption Premium for these shares will also ensure an IRR of 18.92% per annum on the outstanding amount, to be paid at redemption. These preference shares have a tenure of four years and will be redeemed in the financial year 2027-28.

(c) Reconciliation of the number of the Equity shares outstanding at the beginning and at the end of the year:

(Amount in INR Million)

Authorised share capital	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	41,500,000	415.00	1,500,000	15.00
Add/(Less) : changes during the year	-	-	40,000,000	400.00
Balance at the end of the year	41,500,000	415.00	41,500,000	415.00

(Amount in INR Million)

Issued, Subscribed and Paid up Equity share capital	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	33,351,402	333.51	102,389	1.02
Add : Shares issued during the year	-	-	33,249,013	332.49
Less: shares bought back	-	-	-	-
Balance at the end of the year	33,351,402	333.51	33,351,402	333.51



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Notes to Financial Statements As At March 31st, 2024

(Amount in INR Million)

Issued, Subscribed and Paid up Preference share capital	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	340,000	34.00	340,000	34.00
Add : Shares issued during the year	100,000	50.00	-	-
Less: shares bought back				
Balance at the end of the year	440,000	84.00	340,000	34.00

This note covers the number of preference shares issued by the Company excluding premium amount received on it. Since the preference shares are non convertible redeemable shares, it is reflected in financial liabilities.

(d) Issue of share -

Bonus Share - The Company allotted bonus share 3,32,40,600 total numbers on June 30th 2022 in the ratio of 300 : 1 i.e. Three hundred equity shares for one existing fully paid-up equity shares.

Consequently, the paid-up capital was increased from 1.02 Millions in FY 2021-22 to 333.51 Millions in FY 2022-23 by issue of equity shares and capitalization of reserves.

(e) Aggregate number of equity shares issued as bonus NIL during the FY 2023-24 (FY 2022-23 : 3,32,40,600), shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(f) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(g) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Sukhdev Gehlot	15,320,599	45.94%	15,320,599	45.94%
Manju Devi Gehlot	15,107,190	45.30%	15,107,190	45.30%

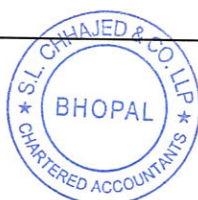
(h) Aggregate number of equity shares issued as bonus NIL during the FY 2023-24 (FY 2022-23 : 3,32,40,600), shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(i) Promoters Shareholding in the Company is set out below:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Sukhdev Gehlot	15,320,599	45.94%	15,320,599	45.94%
Manju Devi Gehlot	15,107,190	45.30%	15,107,190	45.30%

(j) Percentage change in Promoters Shareholding in the Company:

Shares held by promoters as on 31st March, 2024	Number of Shares	% of total Shares	% Change during the year
Promoter Name			
Sukhdev Gehlot	15,320,599	45.94%	0.00%
Manju Devi Gehlot	15,107,190	45.30%	0.00%



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Notes to Financial Statements As At March 31st, 2024

14. OTHER EQUITY

i. Reserves and Surplus

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium Reserve	141.03	141.03
Retained Earnings	150.01	280.63
	291.04	421.66

Retained earnings: Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends (incl. dividend distribution tax) or other distributions to shareholders.

(a) Securities Premium Reserve

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	141.03	206.48
Add/(Less): changes during the year	-	(65.44)
Closing balance	141.03	141.03

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(b) Retained Earnings

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	280.63	153.65
Net Profit for the year	(132.00)	124.02
Items of Other Comprehensive Income directly recognised in Retained Earnings		
* Remeasurement of gains (losses) on defined benefit plans	3.21	3.96
Income tax effect on remeasurements	(0.73)	(1.00)
Items of Equity directly recognised in Retained Earnings		
Other adjustments	(1.11)	-
Closing balance	150.01	280.63

* Re-measurement of net defined benefit plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumption or experience adjustments within the plans, are recognised in 'Other comprehensive income' and these are subsequently not to be reclassified to the Statement of Profit and Loss.



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Notes to Financial Statements As At March 31st, 2024

15. BORROWINGS

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Non Current Borrowings		
Secured		
Term Loan from Bank	245.15	288.68
Unsecured		
Non Convertible Redeemable Preference Shares	206.71	126.46
From Related Parties (Please refer Note no. 33)	24.77	97.49
Total	476.63	512.63
Current Borrowings		
Secured		
(a) Cash Credit Facility with bank	705.78	828.77
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
Current Maturity of Non Current Borrowings		
(a) Term Loans	128.04	135.45
Total	833.82	964.22

The Company has availed loan under multiple banking arrangement which includes Four banks i.e. Punjab National Bank, Axis Bank, HDFC Bank & Union Bank of India. The credit facilities availed from PNB is Rs.333.00 million, Axis Bank Rs.330.30 million, from HDFC Bank Rs.260.0 million and from UBI Rs.458.30 million . The description of Security is disclosed in Notes 15.1.

Details of sanctioned limits

(Amount in INR Million)

Particulars	Sanctioned Limit	Utilization			
		As at March 31, 2024		As at March 31, 2023	
		Amount	%	Amount	%
Non Fund based limits					
Bank Guarantee	-	-	-	-	-
Letter of Credit	30.00	30.00	100%	30.00	100%
Fund based limits					
CC	955.00	705.78	74%	828.77	97%

Change in borrowing arising from financing activities

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Opening Balance	964.22	655.14
Cash Flow during the year	(130.40)	309.08
Unrealised Foreign Exchange Loss/ (Gain)	-	-
Closing Balance	833.82	964.22

Loan Taken from Directors

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sukhdev Gehlot	65.14	105.68
Manju Devi Gehlot	5.29	17.90
Total	70.43	123.58

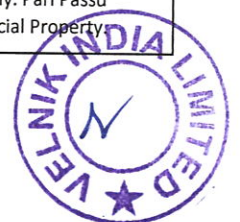
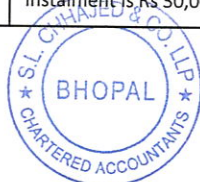
Loan Repaid to Directors

(Amount in INR Million)

Name of Director	For the Year ended March 31, 2024	For the Year ended March 31, 2023
	Amount	Amount
Sukhdev Gehlot	78.80	85.88
Manju Devi Gehlot	24.34	-
Total	103.14	85.88



HDFC - Rs.21.00 Crores	Cash Credit			9.40%	Primary Security :- First Pari Passu Charge on the entire current assets of the Company both present & future. Secondary Security :- Personal Guarantee of Mr. Sukhdev Gehlot & Mrs. Manjudevi Gehlot, Second Pari Passu Charge on the plant & machinery of the company. Pari Passu Charge on the Collateral / Commercial Property.
HDFC - Rs.5.00 Crores	Term Loan	60	Repayable in equal monthly installment of Rs.8,33,333/-	9.40%	Primary Security :- First Pari Passu Charge by way of hypothecation on the plant & machinery of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the entire current assets of the company. Pari Passu Charge on the Collateral / Commercial Property.
PNB-15 Crores	Cash Credit			9.60%	Primary Security :- First Pari Passu Charge on the entire current assets of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the plant & machinery of the company. Pari Passu Charge on the Collateral / Commercial Property.
PNB-1.21 crores	Term Loan	43	Repayable in 42 monthly installment of Rs.266667/- and 1 installment 239925/-	9.60%	Primary Security :- First Pari Passu Charge on the entire current assets of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the plant & machinery of the company. Pari Passu Charge on the Collateral / Commercial Property.
PNB-5.66 crores	Term Loan	38	Repayable in 37 monthly installment of Rs.1398333/- and 1 installment 1080015/-	9.60%	Primary Security :- First Pari Passu Charge by way of hypothecation on the plant & machinery of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the entire current assets of the company. Pari Passu Charge on the Collateral / Commercial Property.
PNB-3.93 crores	Term Loan	24	Repayable in equal monthly installment of Rs.23,12,500/-	9.60%	Primary Security :- First Pari Passu Charge by way of hypothecation on the plant & machinery of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the entire current assets of the company. Pari Passu Charge on the Collateral / Commercial Property.
PNB-7.50 crores	Term Loan	88	Repayable in 22 Quarterly installments of Rs 3409090/-	9.60%	Primary Security :- Exclusive charge on new plant and machinery & Building constructed at Togi for setup of new packaging unit. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the entire current assets of the company. Pari Passu Charge on the Collateral / Commercial Property.
Axis - Rs.24.50 Crores	Cash Credit			9.40%	Primary Security :- First Pari Passu Charge on the entire current assets of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the plant & machinery of the company. Pari Passu Charge on the Collateral / Commercial Property.
Axis - Rs.4.28 Crores	Term Loan	59	Repayable in 59 installments 1-17 instalment of RS 6,00,000/-, 18-49 Instalment of Rs 7,00,000/-, 50-58 Instalment of Rs 8,00,000/- and last 59th instalment is Rs 30,00,000/-	9.40%	Primary Security :- First Pari Passu Charge by way of hypothecation on the plant & machinery of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the entire current assets of the company. Pari Passu Charge on the Collateral / Commercial Property.



Axis - Rs.4.16 Crores	Term Loan	57	Repayable in 57 installments 1-15 instalment of RS 6,00,000/-, 16-47 Instalment of Rs 7,00,000/-, 47-56 Instalment of Rs 7,20,000/- and last 57th instalment is Rs 30,00,000/-	9.40%	Primary Security :- First Pari Passu Charge by way of hypothecation on the plant & machinery of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the entire current assets of the company. Pari Passu Charge on the Collateral / Commercial Property.
UBI - Rs.35.00 Crores	Cash Credit			9.40%	Primary Security :- First Pari Passu Charge on the entire current assets of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the plant & machinery of the company. Pari Passu Charge on the Collateral / Commercial Property.
UBI - Rs. 10.83 Crores	Term Loan	49	Repayable in equal 49 monthly installment of Rs.2166647/-	9.45%	Primary Security :- First Pari Passu Charge by way of hypothecation on the plant & machinery of the Company both present & future. Secondary Security :- Personal Gaurantee of Mr.Sukhdev Gehlot & Mrs Manjudevi Gehlot, Second Pari Passu Charge on the entire current assets of the company. Pari Passu Charge on the Collateral / Commercial Property.



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Notes to Financial Statements As At March 31st, 2024

(Amount in INR Million)

15.2. Reconciliation of stock statement submitted to bank and books of accounts where borrowings have been availed based on security of current assets.

Quarter End	Name of the Bank	Particulars	Amount reported in the stock statement	Amount as per books of accounts	Amount of difference	Reason for material variances
30-06-23	Axis Bank	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
	HDFC Bank	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
	PNB Bank	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
	UBI	Inventory	894.00	894.00	-0.00	
		Trade Receivables	830.74	825.556	5.19	There is no material variance
		Trade Payables	325.86	323.679	2.19	There is no material variance
30-09-23	Axis Bank	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance
	HDFC Bank	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance
	PNB Bank	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance
	UBI	Inventory	934.79	934.79	-	
		Trade Receivables	757.64	757.585	0.06	There is no material variance
		Trade Payables	381.20	396.663	-15.47	There is no material variance
31-12-23	Axis Bank	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
	HDFC Bank	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
	PNB Bank	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
	UBI	Inventory	924.51	924.51	-	There is no material variance
		Trade Receivables	647.60	649.185	-1.58	There is no material variance
		Trade Payables	329.22	331.027	-1.80	There is no material variance
31-03-24	Axis Bank	Inventory	919.47	919.47	-	There is no material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance
	HDFC Bank	Inventory	919.47	919.47	-	There is no material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance
	PNB Bank	Inventory	919.47	919.47	-	There is no material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance
	UBI	Inventory	919.47	919.47	-	There is no material variance
		Trade Receivables	531.59	523.328	8.27	There is no material variance
		Trade Payables	238.78	239.277	-0.50	There is no material variance



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Notes to Financial Statements As At March 31st, 2024

15.3. Net debt reconciliation

An analysis of net debt of the Company and the movement in net debt for the year ended 31 March 2024 and 31 March 2023 is as follows:

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Cash and cash equivalents	2.89	5.88
(B) Non-current borrowings	476.63	512.63
(C) Current borrowings	833.82	964.22
(D) Interest payable	-	-
Net debt (E)=(A-B-C-D)	1,307.56	1,470.98

(Amount in INR Million)

Particulars	Other Assets	Liabilities from financial activities		Total
	Cash and cash equivalents	Current and Non Current borrowings	Interest payable	
Net debt as at 31 March 2022	1.99	1,096.40	-	1,094.41
Net increase in cash and cash equivalents	3.89			(3.89)
Proceeds from long-term borrowings		674.92		674.92
Repayment of long-term borrowings		(294.46)		(294.46)
Proceeds from short-term borrowings				-
Interest expense			147.67	147.67
Interest paid			(147.67)	(147.67)
Net debt as at 31 March 2023	5.88	1,476.86	-	1,470.98
Net increase in cash and cash equivalents	(2.99)			2.99
Proceeds from long-term borrowings		116.25		116.25
Repayment of long-term borrowings		(282.66)		(282.66)
Proceeds from short-term borrowings				-
Interest expense			187.01	187.01
Interest paid			(187.01)	(187.01)
Net debt as at 30 Sep 2024	2.89	1,310.45	-	1,307.56



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Notes to Financial Statements As At March 31st, 2024

16. Leases

(Amount in INR Million)

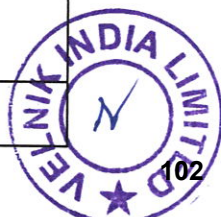
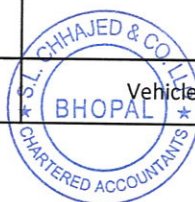
Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Lease Liabilities	137.60	165.20
Current		
Lease Liabilities	46.44	46.70
Total	184.04	211.90

The company's significant leasing agreements are in respect of Rental Buildings , Plant & Machinery and Vehicle. Assets taken on lease are capitalised and disclosed separately as Right-of-use assets in the property, plant and equipment. The lease rentals are allocated between interest and principal value. The interest and maintenance charges are charged to Statement of Profit and Loss and principal amount is adjusted to lease obligations.

The company has applied the following available practical expedients :

(i) The short-term leases exemptions to leases with lease term less than 12 months

Lessor Name	Property Address	Property Identification	Start Date	End Date	Period Months
Pradeep Yadav	ASH-9, Takshila Parisar, Indore	Premises	01-03-23	31-01-24	11
Sukhdev Gehlot	Khasra No 516/1/Mean-2, 516/2, 517, 518, Bijalpur, Mumdi Road, Indore.	Land	01-02-23	31-12-23	11
Jyoti Tak w/o Mahendra Tak	Khasra No 6246/1, Sojat	Factory	01-08-22	30-06-23	11
Rupa Ram Mali	Khasra No 1996, Chak no. 2, Tehsil Sojat	Land and Premises	19-10-22	18-09-23	11
Sukhdev Gehlot	S-1, Takshila Parisar, Indore	Premises	01-04-23	29-02-24	11
Manju Devi Gehlot	SH-5, Takshila Parisar, Indore	Premises	01-01-24	30-11-24	11
Pawan Kumar & Manisha Genaram Choudhary---New Agreement Rukmani w/o Hanuman Ram Gundi	Moti Nagar, Govid Pura, Beawar, Ditt. - Ajmer, Rajasthan--- New address H.no. 1, Gram Thikrana, Sendra Road, Moti Nagar, Distt. Beawar, Rajasthan	Premises	01-08-22	30-06-23	11
Suman Lata Bidawat	H.No. 38, Mangal Vihar Colony, Kalyanipur, Gali no. 3, Ajmer - 305001, Rajasthan	Premises	01-08-23	30-06-24	11
Mahendra Soni	Bangalore Guest house	Premises	01-11-22	01-10-23	11
Asha Rajan	BDA MIG Flats, Block U, First Floor Apartment no. MF 21/8, Nandani Layout PO, Bangalore - 560096	Guest house	01-07-23	30-06-24	11
Sojat Hena P. Ltd.	Bus Rent	Vehicle	01-04-23	31-03-26	36



As a Lessee

A Carrying value of right of use assets at each of the period end by class

(Amount in INR Million)

Particulars	Leasehold Land	Plant and Machinery	Building	Vehicle	Total
Balance at 31 March 2022	0.13	-	34.61	0.66	35.40
Addition	-	141.64	66.92	-	208.57
Deletion	-	-	-	-	-
Depreciation charge for the year	0.13	11.71	11.05	0.50	23.39
Balance at 31 March 2023	0.00	129.93	90.48	0.17	220.58
Addition	-	-	-	-	-
Deletion	-	-	-	-	-
Depreciation charge for the year	-	28.39	11.57	0.17	40.13
Balance at 31 March 2024	0.00	101.54	78.91	(0.00)	180.45

B Maturity analysis of lease liabilities

(Amount in INR Million)

Maturity analysis – contractual undiscounted cash flows	As at March 31, 2024	As at March 31, 2023
Less than one year	46.44	46.70
One to five years	142.09	162.39
More than five years	62.78	88.92
Total undiscounted lease liabilities	251.31	298.01
Lease liabilities included in the statement of financial position		
Current	46.44	46.70
Non Current	137.60	165.20

C Amounts recognised in profit or loss

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities	18.85	13.79
Depreciation on ROU	40.13	23.39
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

D Amounts recognised in the statement of cash flows

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	46.70	50.07



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

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Notes to Financial Statements As At March 31st, 2024

17. OTHER FINANCIAL LIABILITIES

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Financial Liabilities at amortized cost		
Security Deposit from Dealers	300.42	276.37
Financial Guarantee Liabilities	-	0.34
Total	300.42	276.72
Current		
Financial Liabilities at amortized cost		
Outstanding Expenses Payable	7.20	7.85
Others		
Employee Dues	49.27	53.83
Total	56.47	61.68

18. TRADE PAYABLES

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 37)	45.66	10.28
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	333.11	392.78
Total	378.77	403.06

18.1 Trade Payables Ageing Schedule :

(Amount in INR Million)

As at 31 March 2024	Outstanding for following periods Particulars from due date of payment						Total
Particulars	Unbilled Dues	Not Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	45.66	-	-	-	45.66
(ii) Others	-	-	314.82	13.58	0.40	4.32	333.11
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	-	360.48	13.58	0.40	4.32	378.77

(Amount in INR Million)

As at 31 March 2023	Outstanding for following periods Particulars from due date of payment						Total
Particulars	Unbilled Dues	Not Dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	10.28	-	-	-	10.28
(ii) Others	-	-	374.80	8.80	5.72	3.46	392.78
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	-	385.08	8.80	5.72	3.46	403.06

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statement as at 31st March 2024 based on the information received and available with the Company. On the basis of such information, Rs. 92,983/- interest is payable to any micro, small and medium enterprises. Auditors have relied upon the information provided by the Company. The Details are provided on Note No 37.



19. OTHER LIABILITIES

(Amount in INR Million)

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Current		
Advances from customers	11.12	60.69
Statutory Liabilities	9.74	11.81
Total	20.86	72.49

20. PROVISIONS

(Amount in INR Million)

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Contractual obligation		
Non Current		
Provision for employee benefits - Gratuity	3.70	5.05
Provision for employee benefits - Leave Encashment	2.12	2.44
Total	5.82	7.50
Current		
Provision for employee benefits - Gratuity	1.50	1.90
Provision for employee benefits - Leave Encashment	1.48	2.15
Total	2.98	4.04

21. CURRENT TAX LIABILITY(NET)

(Amount in INR Million)

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Current tax liability	-	1.64
Add: Current tax payable for the year	-	43.04
Less: Taxes paid	-	(32.36)
Closing Balance	-	12.32



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Notes to Financial Statements As At March 31st, 2024

22. REVENUE FROM OPERATION

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Sale of Products		
Manufactured goods	3,076.52	3,159.20
Traded goods	147.20	330.65
Total	3,223.73	3,489.85



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

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Notes to Financial Statements As At March 31st, 2024

23. OTHER INCOME

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest income on		
Bank fixed deposits	1.04	0.68
Deposit with Others	0.15	-
Dividend income		
Other Non Operating Income		
Other Income	1.02	0.29
Drawback Received	0.00	0.11
Interest Received on Income Tax Refund	-	0.13
Interest on Guarantee given	-	0.04
Foreign Exchange Gain	0.42	-
Creditors write back	4.48	-
Misc. Balance write back	8.32	-
	15.44	1.25

24. COST OF MATERIALS CONSUMED

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Stock as at beginning of the year	799.52	700.69
Add: Purchases	1,573.83	1,604.95
Less : Stock as at end of the year	(771.89)	(799.52)
Total	1,601.46	1,506.12

25. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & WORK-IN-PROGRESS

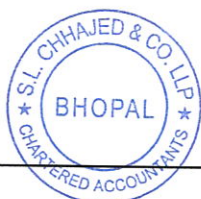
(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Inventories as at the beginning of the year		
Stock in Trade	16.34	5.15
Work in Process	-	-
Finished Goods	27.81	18.17
Less : Inventories as at the end of the year		
Stock in Trade	(0.09)	(16.34)
Work in Process	-	-
Finished Goods	(147.49)	(27.81)
Net decrease / (increase) in inventories	(103.43)	(20.83)

26. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries and Incentives	393.60	404.54
Contribution to PF, ESIC & others	25.49	23.19
Gratuity	2.14	5.34
Leave Encashment	0.83	1.65
Staff Welfare Expenses	41.47	31.71
Director Remuneration	30.00	30.00
	493.53	496.43



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

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Notes to Financial Statements As At March 31st, 2024

27. FINANCE COST

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest cost:		
Banks / Financial Institutions	187.01	147.67
On Lease obligation	18.85	13.79
Finance and Other Charges	10.60	14.20
Interest expense on Statutory Dues	0.27	0.92
Guarantee Commission Expense	-	0.04
	216.72	176.62

28. DEPRECIATION EXPENSE

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation on tangible assets	62.22	50.91
Depreciation on Intangible assets	3.81	4.76
Depreciation on ROU	40.13	23.39
	106.16	79.06



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Notes to Financial Statements As At March 31st, 2024

29. OTHER EXPENSES

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Production/ Factory Expenses -		
Commission Expenses	9.25	5.29
Custom Duty	5.55	7.07
Factory Expenses	11.54	11.46
Freight Expenses - Inward	12.66	13.88
Import Shipment Expenses	3.51	8.84
Labour & Job Work Expenses	135.31	114.08
Loading & Unloading Expenses	0.17	0.76
Mehandi Expenses (Misc.)	1.32	3.37
Power & Electricity Charges	19.10	9.62
Repair & Maintenance - Machinery	18.41	6.97
Selling and Distribution Expenses -		
Business Promotion Expenses	307.93	182.40
Freight Expenses - Outward	131.45	120.72
Royalty Expenses	56.99	60.00
Sales and Distribution Expenses	134.74	146.72
Administrative Expenses -		
Administrative Expenses	-	-
Factory Security Charges	8.80	7.01
Insurance Expenses	7.14	5.90
Legal & Professional Expenses	14.87	26.00
Office Expenses	11.10	11.39
Postage & Courier	0.51	1.29
Printing & Stationary Expenses	0.91	0.91
Rates & Taxes	3.73	7.60
Rent Expenses	15.08	28.60
Repair & Maintenance - Building	4.07	2.24
Repair & Maintenance - Vehicle	10.67	9.24
Repair & Maintenance - Other	2.05	4.98
Software Expenses	4.61	1.06
Telephone and Internet Expenses	4.22	5.32
Vehicle Expenses	41.84	54.87
Other Expenses -		
Audit Fees	0.50	0.50
Balance write off	5.48	-
Foreign Exchange Loss	-	1.34
Impairment of trade receivables	0.58	0.97
Corporate social responsibility expenditure	2.20	1.66
Loss on Sales of Assets	-	0.25
Total	986.26	862.29



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

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Notes to Financial Statements As At March 31st, 2024

(a) Details of Payments to auditors

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
As auditor		
Audit Fee	0.44	0.44
Tax audit fee	0.06	0.06
Limited review fee	-	-

(b) Corporate social responsibility expenditure

As per section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expense for the year are as under -

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Amount required to be spent during the year	2.37	1.43
B. Amount available from previous year	(0.23)	-
C. Total (A+B)	2.14	1.43
D. Amount spent during the year on -		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	2.20	1.66
Total	2.20	1.66
Amount carried forward:		
Current	0.06	0.23
Non-current	-	-

Donation given for promotion of education, healthcare and welfare of animals of Rs. 2.20 million given by the company during the FY 23-24 (Expenses of Rs. 1.66 million incurred in FY 22-23 for repair of rural road) for CSR activities.

(c) Value of imports calculated on CIF Basis

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Raw materials and components	97.85	131.49
Stores and spares	-	-
Capital goods	-	-
Total	97.85	131.49

(d) Expenditure in foreign currency

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Travelling Expenses	-	-
Total	-	-



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

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Notes to Financial Statements As At March 31st, 2024

(e) Earnings in foreign currency

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
F.O.B value of exports	3.48	3.46
Total	3.48	3.46

30. EARNINGS PER SHARE

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(a) Basic and Diluted earnings per share (In INR)		
Profit attributable to the equity holders of the company (A) (Amount in Million)	(132.00)	124.02
Basic and Diluted earnings per share attributable to the equity holders of the company (A/B) (In INR)	(3.96)	3.75
(b) Weighted average number of shares used as the denominator		
Weighted average number of equity shares [Equity shares of INR 10 each (March 31, 2023 INR 10 each)] used as the denominator in calculating basic and diluted earnings per share (B)	33,351,402	33,040,071

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares considered for deriving basic earnings per equity share and also the weightage average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



VELNIK INDIA LIMITED (FORMERLY KNOWN AS VELNIK INDIA PRIVATE LIMITED)

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Notes to Financial Statements As At March 31st, 2024

31. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in INR Million)

Particulars	March 31, 2024		March 31, 2023	
	Current	Non Current	Current	Non Current
Provisions				
Gratuity	1.50	3.70	1.90	5.05
Leave Encashment	1.48	2.12	2.15	2.44
Employee Benefit Obligation	2.98	5.82	4.04	7.50
Plan Assets				
Gratuity	-	-	-	-
Leave Encashment	-	-	-	-
Employee Benefit Plan Assets	-	-	-	-

Post Employment obligations

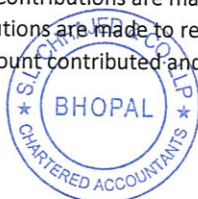
The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

(Amount in INR Million)

Particulars	Present value of obligation	Fair value of plan assets	Net Obligation/ (Asset)
As at March 31, 2022	9.48	-	9.48
Current service cost	6.30	-	6.30
Past service cost	-	-	-
Interest expense/(income)	0.67	-	0.67
Adjustment to opening Fair Value of Plan Assets	-	-	-
Total amount recognised in profit or loss	6.97	-	6.97
<i>Remeasurements</i>			
(Gain)/Loss from change in financial assumptions	(3.96)	-	(3.96)
Total amount recognised in other comprehensive income	(3.96)	-	(3.96)
Employer contributions	-	-	-
Benefit payments	(0.95)	-	(0.95)
As at March 31, 2023	11.54	-	11.54
Current service cost	3.94	-	3.94
Past service cost	-	-	-
Interest expense/(income)	0.70	-	0.70
Net value of remeasurements on the obligation and plan assets	(1.67)	-	(1.67)
Total amount recognised in profit or loss	2.97	-	2.97
<i>Remeasurements</i>			
(Gain)/Loss from change in financial assumptions	(3.21)	-	(3.21)
Total amount recognised in other comprehensive income	(3.21)	-	(3.21)
Employer contributions	-	-	-
Benefit payments	-	-	-
Benefit payments	(2.50)	-	(2.50)
As at March 31, 2024	8.80	-	8.80

Defined contribution plans - Provident fund

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.



Velnik India Limited (formerly known as Velnik India Private Limited)

A. The Company has following Schemes in the nature of Defined Benefits plans:

- i) Gratuity Scheme
- ii) Leave Encashment Scheme

Gratuity

As on 31st Mar 2024

Particulars	Opening	Current Service Cost	Interest Cost	Benefit Paid	Actuarial losses (gains)	Closing Balance	Current	Non Current
Gratuity Liability	6,948,861	1,703,023	432,007	(671,926)	(3,213,177)	5,198,788	1,502,979	3,695,809
Plan Asset	-	-	-	-	-	-	-	-
Net Liability	6,948,861	1,703,023	432,007	(671,926)	(3,213,177)	5,198,788	1,502,979	3,695,809

Profit and Loss	2,135,030
OCI	(3,213,177)
Gratuity Liability	1,078,147

Risk Exposures Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals

Characteristics of Benefit :

The Key features are as under :

Plan Features	Refer Para 139(a) of Ind AS 19
Type of Plan	Post Employment Benefit
Employee's Contribution	0%
Employer's Contribution	100%
Salary definition	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000/- was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death/ disability)
Benefit on Retirement	15/26 x Salary x Duration of Service
Benefit of Resignation/ Withdrawal	Same as Retirement Benefit based on service up to exit
Benefit on Death	Same as Retirement Benefit but no vesting condition applies
Retirement age*	60 Year

*In case of employees with age above the retirement age mentioned in Plan features, the retirement is assumed to happen immediately and valuation is done accordingly.

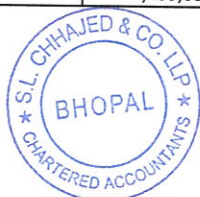
Explanation of amounts in the Financial Statements

Funded status of the plan

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligations	5,198,788	6,948,861
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Defined Benefit Liability/ (Assets)	5,198,788	6,948,861

Funded status of the plan

Particulars	As at March 31, 2024	As at March 31, 2023
Service cost :		
Current service cost	1,703,023	4,865,052
Past service cost	-	-
Loss /(Gain) on curtailments and settlement	-	-
Net interest cost	432,007	471,464
Net Defined Benefit Liability/ (Assets)	2,135,030	5,336,516



Other Comprehensive Income for the period

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Components of actuarial gain/ losses on obligations:</u>		
Due to change in financial assumptions	6,481	184,373
Due to change in demographic assumptions	-	(4,643,027)
Due to change in experience adjustments	(3,219,658)	(507,498)
Return on plan assets excluding amounts included in interest income	-	-
Net interest cost	-	-
Amount recognized in Other Comprehensive (Income)/ Expense	(3,213,177)	(4,966,152)

Reconciliation of defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Defined Benefit Obligation	6,948,861	6,672,165
Transfer in/ (out) obligation	-	-
Current service cost	1,703,023	4,865,052
Interest cost	432,007	471,464
<u>Component of actuarial gain/ losses on obligations:</u>		
Due to change in financial assumptions	6,481	184,373
Due to change in demographic assumptions	-	(4,643,027)
Due to change in experience adjustments	(3,219,658)	(507,498)
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefit paid from fund	-	-
Benefit paid by company	(671,926)	(93,668)
Closing Defined Benefit Obligation	5,198,788	6,948,861

Principle actuarial assumptions

Particulars	Age	Period	As at March 31, 2024	As at March 31, 2023
Discount Rate		p.a.	7.15%	7.20%
Salary Growth Rate		p.a.	8.00%	8.00%
Withdrawals	Age 25 & Below :	p.a.	40.00%	40.00%
	25 to 35 :	p.a.	40.00%	40.00%
	35 to 45 :	p.a.	40.00%	40.00%
	45 to 55 :	p.a.	40.00%	40.00%
	55 & above :	p.a.	40.00%	40.00%

A description of methods used for sensitivity analysis and its Limitations :

Projected Unit Credit (PUC) method to value the Defined benefit obligation. Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan.

The "Projected Unit Credit Method" is based on the Plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed

The Method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.



Sensitivity to key assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate Sensitivity		
Increase by 0.5% (% change)	5,134,828 -1.23%	6,859,979 -1.28%
Decrease by 0.5% (% change)	5,264,418 1.26%	7,040,111 1.31%
Salary growth rate Sensitivity		
Increase by 0.5% (% change)	5,263,574 1.25%	7,039,004 1.30%
Decrease by 0.5% (% change)	5,135,061 -1.23%	6,860,231 -1.28%
Withdrawal rate (W. R.) Sensitivity		
W.R. x 110% (% change)	4,962,349 -4.55%	6,571,431 -5.43%
W.R. x 90% (% change)	5,464,601 5.11%	7,373,594 6.11%

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
First Year	1.50	1.90
Second Year	1.15	1.50
Third Year	1.04	1.25
Fourth Year	0.82	1.27
Fifth Year	0.64	0.92
Sixth to Tenth Year	1.07	1.54
Total expected payments	6.21	8.37



Velnik India Limited (formerly known as Velnik India Private Limited)

Leave Encashment

As on 31st Mar 2024

Particulars	Opening	Current Service Cost	Interest Cost	Benefit Paid	Actuarial losses (gains)	Closing Balance	Current	Non Current
Leave Encashment Liability	4,589,648	2,233,614	268,307	(1,823,519)	(1,670,831)	3,597,219	1,476,160	2,121,059
Plan Asset	-	-	-	-	-	-	-	-
Net Liability	4,589,648	2,233,614	268,307	(1,823,519)	(1,670,831)	3,597,219	1,476,160	2,121,059

Profit and Loss	831,090	#REF!
OCI	-	
Leave Encashment Liability	(831,090)	

The Key features are as under :

Plan Features	Refer Para 139(a) of Ind AS 19
Type of Plan	Post Employment Benefit
Employee's Contribution	0%
Employer's Contribution	100%
Salary definition for Encashment	Last Drawn Basic Salary
Salary definition for Availment	Last Drawn CTC Salary
Vesting conditions	Not Applicable
Leave Credited Annually	Staff - 24 Days Field Staff - 18 Days
Leave Denominator	30 days
Maximum Accumulation	30 days
Encashment during the service	Allowed
Benefit on Retirement	Leave Days x Encashment Salary/ Leave Denominator
Benefit on Resignation/ Withdrawals	Same as Retirement Benefit
Benefit on Death	Same as Retirement Benefit
Benefit on Availment	Leave Days x Availment Salary/ Leave Denominator
Retirement age*	60 Year

*Increase of employees with age above the retirement age mentioned in plan features, the retirement is assumed to happen immediately and valuation is done accordingly.

Explanation of amounts in the Financial Statements

Funded status of the plan

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligations	3,597,219	4,589,648
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability/ (Assets)	3,597,219	4,589,648

Profit and Loss account for current period

Particulars	As at March 31, 2024	As at March 31, 2023
Service cost :		
Current service cost	2,233,614	1,432,151
Past service cost	-	-
Loss /(Gain) on curtailments and settlement	-	-
Net interest cost	268,307	197,220
Net value of remeasurements on the obligation and plan assets	(1,670,831)	1,010,675
Total included in 'Employees Benefit Expense'	831,090	2,640,046



Remeasurements on the Obligation and Plan Assets

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Components of actuarial gain/ losses on obligations:</u>		
Due to change in financial assumptions	3,360	79,963
Due to change in demographic assumptions	-	71,330
Due to change in experience adjustments	(1,674,191)	859,382
Return on plan assets excluding amounts included in interest income	-	-
Net actuarial Loss/ (Gain)	(1,670,831)	1,010,675

Reconciliation of defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Defined Benefit Obligation	4,589,648	2,805,242
Transfer in/ (out) obligation	-	-
Current service cost	2,233,614	1,432,151
Interest cost	268,307	197,220
<u>Component of actuarial gain/ losses on obligations:</u>		
Due to change in financial assumptions	3,360	79,963
Due to change in demographic assumptions	-	71,330
Due to change in experience adjustments	(1,674,191)	859,382
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefit paid from fund	-	-
Benefit paid by company	(1,823,519)	(855,640)
Closing Defined Benefit Obligation*	3,597,219	4,589,648

*Leave Encashment benefits of Rs 4,18,993 payable to resigned employees have been included in Defined Benefit Obligation.

Reconciliation of net defined benefit liability

Particulars	As at March 31, 2024	As at March 31, 2023
Net opening provision in books of accounts	4,589,648	2,805,242
Transfer in/(out) obligation	-	-
Transfer in/(out) plan assets	-	-
Employees benefit expense	831,090	2,640,046
	5,420,738	5,445,288
Benefit paid by the entity	(1,823,519)	(855,640)
Contributions to plan assets	-	-
Closing provision in books of accounts	3,597,219	4,589,648

Principle actuarial assumptions

Particulars	Age	Period	As at March 31, 2024	As at March 31, 2023
Discount Rate		p.a.	7.15%	7.20%
Salary Growth Rate		p.a.	8.00%	8.00%
Withdrawals	Age 25 & Below :	p.a.	40.00%	40.00%
	25 to 35 :	p.a.	40.00%	40.00%
	35 to 45 :	p.a.	40.00%	40.00%
	45 to 55 :	p.a.	40.00%	40.00%
	55 & above :	p.a.	40.00%	40.00%
Availment Rate		p.a.	0.00%	0.00%
In Service Encashment Rate		p.a.	0.00%	0.00%



A description of methods used for sensitivity analysis and its Limitations :

Projected Unit Credit (PUC) method to value the Defined benefit obligation. Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan.

The "Projected Unit Credit Method" is based on the Plan's accrual formula and upon service as of the beginning or end of the year , but using a member's final

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed

The Method used dose not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Amount, timing and uncertainty of future cash flows

Sensitivity to key assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
<u>Discount rate Sensitivity</u>		
Increase by 0.5%	3,563,856	4,551,176
(% change)	-0.93%	-0.84%
Decrease by 0.5%	3,631,383	4,628,982
(% change)	0.95%	0.86%
<u>Salary growth rate Sensitivity</u>		
Increase by 0.5%	3,630,980	4,628,511
(% change)	0.94%	0.85%
Decrease by 0.5%	3,563,964	4,551,282
(% change)	-0.92%	-0.84%
<u>Withdrawal rate (W. R.) Sensitivity</u>		
W.R. x 110%	3,589,956	4,581,120
(% change)	-0.20%	-0.19%
W.R. x 90%	3,606,032	4,599,987
(% change)	0.24%	0.23%

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
First Year	1.48	2.15
Second Year	0.97	1.10
Third Year	0.61	0.74
Fourth Year	0.41	0.45
Fifth Year	0.26	0.29
Sixth to Tenth Year	0.41	0.48
Total expected payments	4.12	5.20



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Notes to Financial Statements As At March 31st, 2024

32. COMMITMENTS AND CONTINGENCIES

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Capital Commitments Towards		
(i) Property, plant and equipment contracts remaining to be executed on capital account not provided for (net of advances)	23.04	37.33
a) Contingent liabilities		
(i) Claims against the Company not acknowledged as debts	1.79	1.79
(ii) Financial Guarantees #	-	-
(iii) Income Tax disputes	188.73	-
(iv) Indirect Tax disputes	-	-

Disclosure regarding the financial guarantee has been made as per Ind AS 109 for the current year.

In view of various court cases, litigations and claims disputed by the Company, the outflow of resources is not ascertainable at this stage. Generally, contingent Liability in respect of court & arbitration cases are shown on award/court judgement and also reviewed on a case to case basis for its reporting in contingent liability

Liability as shown under the head Income Tax disputes related to income tax demand (includes actual outstanding demand-Rs.17,15,68,300 & Interest - Rs. 1,71,56,830) against the assessment year 2023-24 which is pending in appeal before CIT (Appeal).

It is not practicable for the Company to estimate the timing of actual cash outflows in respect of items (i) to (iv), if any, due to pending resolution of the respective proceedings. However, the chances of cash outflow are contingent.

Movement in Contingent Liabilities

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1.79	39.16
Less : Reduction out of opening balance	-	39.16
Add : Additions (net) during the year	188.73	1.79
Balance at the end of the year	190.52	1.79



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Notes to Financial Statements As At March 31st, 2024

33. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

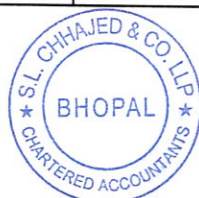
Name of Related Party	Nature of Relationship
Personal having control over reporting entity - Mr. Sukhdev Gehlot Mrs. Manju Devi Gehlot	Director Director
Key Managerial Personnel: Ms. Kusum Gehlot Mr. Rohit Khandelwal Mr. Chetan Gehlot Mr. Chirag Desla	Non Executive Director Independent Director CFO CS
The entity is controlled or jointly controlled by a person : Velnik India Marketing Private Limited Velnik colors Private Limited Velnik Infraheights Private Limited Velnik India Welfare Foundation Sukhdev Bhakti Foundation Wellmass Pharma Private Limited Ethica Herbals	Controlling Interest with Director Controlling Interest with Director Controlling Interest with Director Controlling Interest with Director Controlling Interest with Director Controlling Interest with Director Controlling Interest with Director Proprietorship Firm of Mr. Sukhdev Gehlot

(ii) Transactions with related parties

The following transactions occurred with related parties

(Amount in INR Million)

Nature of Relationship	Nature of Transaction	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Key Managerial Personnel			
Sukhdev Gehlot	Royalty Paid	67.25	70.80
	Rent Paid	18.07	18.62
	Director remuneration	21.60	21.60
	Loan Taken	65.14	105.68
	Loan Repaid	78.80	85.88
Manju Devi Gehlot	Rent Paid	3.54	3.00
	Director remuneration	8.40	8.40
	Loan Taken	5.29	17.90
	Loan Repaid	24.34	-
The entity is controlled or jointly controlled by a person :			
Ethica Herbals (Prop. Sukhdev Gehlot)	Purchases	331.76	318.25
Velnik India Marketing Private Limited	Availing of services	6.67	5.89
Velnik India Marketing Private Limited	Interest paid	6.79	6.96
Sukhdev Bhakti Foundation	Purchases	0.83	-
Velnik India Marketing Private Limited	Loan Repaid	40.00	-



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Notes to Financial Statements As At March 31st, 2024

(iii) Amount due to related parties

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Loan Taken		
The entity is controlled or jointly controlled by a person :		
Velnik India Marketing Private Limited	18.00	58.00
Key Managerial Personnel		
Sukhdev Gehlot	6.77	20.43
Manju Devi Gehlot	-	19.05
Expense Payable		
The entity is controlled or jointly controlled by a person :		
Velnik India Marketing Private Limited	22.84	19.03
Ethica Herbals (Prop. Sukhdev Gehlot)	11.73	5.70
Key Managerial Personnel		
Sukhdev Gehlot	7.23	-
Manju Devi Gehlot	(0.02)	-
Salary/Remuneration Payable		
Key Managerial Personnel		
Sukhdev Gehlot	-	-
Manju Devi Gehlot	-	-

(iv) Amount due from related parties

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance to Suppliers		
The entity is controlled or jointly controlled by a person :		
Sukhdev Bhakti Foundation	1.61	-

(v) Key management personnel compensation

(Amount in INR Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Short term Employee Benefits		
Director Remuneration	30.00	30.00
	30.00	30.00

(vi) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs by cash flows. There have been no guarantees provided or received for any related party receivables and payables. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.



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Notes to Financial Statements As At March 31st, 2024

34. FAIR VALUE MEASUREMENTS

The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others reasonably approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

i. Financial Instruments by Category

(Amount in INR Million)

Particulars	Carrying Amount		Fair Value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	533.75	942.95	533.75	942.95
Cash and Cash Equivalents	2.89	5.88	2.89	5.88
Other Bank Balances	7.42	27.80	7.42	27.80
Other Financial Assets	25.74	25.65	25.74	25.65
FVTPL				
Investment in Equity Instruments	-	-	-	-
Total	569.80	1,002.28	569.80	1,002.28

FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	1,310.45	1,476.86	1,310.45	1,476.86
Trade Payables	378.77	403.06	378.77	403.06
Lease Liability	184.04	211.90	184.04	211.90
Other financial liabilities	356.88	338.40	356.88	338.40
Total	2,230.15	2,430.21	2,230.15	2,430.21

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.



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Notes to Financial Statements As At March 31st, 2024**35. FINANCIAL RISK MANAGEMENT**

The company's activity expose it to market risk, liquidity risk and credit risk. The company's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

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 company's management.

(A) Credit risk

Credit risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables.

- i The carrying amount of Financial Assets represents maximum credit exposure. The Maximum exposure to credit risk at the reporting date was

(Amount in INR Million)

Particulars	As at March 31,	As at March 31,
	2024	2023
Financial Assets for which allowance is measured		
Cash and Cash Equivalents	2.89	5.88
Other Bank Balance	7.42	27.80
Other Financial Assets	25.74	25.65
Financial Assets for which allowance is measured		
Trade Receivables	533.75	942.95

Concentration of Credit Risk- Geographical	Percentage of Total Receivables	
	As at March 31,	As at March 31,
	2024	2023
Within India	100.00%	98.86%
Outside India	0.00%	1.14%
Total	100%	100%

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.



Notes to Financial Statements As At March 31st, 2024

ii Impairment Loss

Financial Assets for which allowance is measured using 12 months Expected Credit Loss(ECL)

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other Financial Assets comprises Deposit with Government agencies. The ECL on Financial Assets for which allowance is measured using 12 months Expected Credit Loss is assessed as Nil.

Reconciliation of Impairment loss Provisions

The Movement in the allowance of impairment in respect of Trade receivable during the year was as follows

Particulars	(Amount in INR Million)	
	As at March 31, 2024	As at March 31, 2023
Balance as on 1st April	1.87	0.90
Impairment Loss recognised	0.58	0.97
Amount Written Off /withdrawal	-	-
	2.44	1.87

(B) Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.



Notes to Financial Statements As At March 31st, 2024

Maturities of financial liabilities

The tables below provides details regarding the contractual maturities of significant financial liabilities :

(Amount in INR Million)

Particulars	Carrying Amount	Contractual cash flows			
		Total	Less than 1 year	1 to 5 years	> 5 Years
March 31, 2024					
Financial Assets					
Non Current Investments	-	-	-	-	-
Trade Receivables	533.75	533.75	533.75	-	-
Other Financial Assets	25.74	25.74	-	25.74	-
Cash and Cash Equivalents	2.89	2.89	2.89	-	-
Bank Balances Other than (ii) above	7.42	7.42	7.42	-	-
Total Financial Assets	569.80	569.80	544.07	25.74	-
Financial Liabilities					
Borrowings	1,310.45	1,310.45	833.82	476.63	-
Lease Liabilities	184.04	184.04	46.44	137.60	-
Trade payables	378.77	378.77	378.77	-	-
Other financial liabilities	356.88	356.88	56.47	300.42	-
Financial Guarantee Contact	-	-	-	-	-
Total liabilities	2,230.15	2,230.15	1,315.50	914.65	-
March 31, 2023					
Financial Assets					
Non Current Investments	-	-	-	-	-
Trade Receivables	942.95	942.95	942.95	-	-
Other Financial Assets	25.65	25.65	-	25.65	-
Cash and Cash Equivalents	5.88	5.88	5.88	-	-
Bank Balances Other than (ii) above	27.80	27.80	27.80	-	-
Total Financial Assets	1,002.28	1,002.28	976.63	25.65	-
Financial Liabilities					
Borrowings	1,476.86	1,476.86	964.22	512.63	-
Lease Liabilities	211.90	211.90	46.70	165.20	-
Trade payables	403.06	403.06	403.06	-	-
Other financial liabilities	338.40	338.40	61.68	276.72	-
Financial Guarantee Contact	10.11	10.11	-	10.11	-
Total liabilities	2,430.21	2,430.21	1,475.66	954.55	-

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

(i) Foreign currency risk

The company cater to domestic market and in case of any export, the company accept advance payment against the sale. The company do not have any other foreign currency exposure.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.



Notes to Financial Statements As At March 31st, 2024

(a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR Million)		
Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings		
Working capital loan	705.78	828.77
Term Loan	373.18	424.13
Others	24.77	97.49
Fixed rate borrowings	206.71	126.46
Total borrowings	1,310.45	1,476.86
% of borrowings at variable rate	84%	91%

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit before tax	
	March 31, 2024	March 31, 2023
Interest rates - increase by 25 basis points*	2.70	3.13
Interest rates - decrease by 25 basis points*	(2.70)	(3.13)
Interest rates - increase by 70 basis points*	7.55	8.77
Interest rates - decrease by 70 basis points *	7.55	8.77

* holding all other variables constant

(iii) Price risk

Commodity price risk - The company is no affected by the price volatility of commodities.



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Notes to Financial Statements As At March 31st, 2024**36. CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 70% and 90%. The Company includes within net debt, interest bearing loans and borrowings, preference shares classified as liability, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and other bank balances.

Particulars	(Amount in INR Million)	
	March 31, 2024	March 31, 2023
Borrowings	1,310.45	1,476.86
Trade payables	378.77	403.06
Other financial liabilities	356.88	338.40
Less:		
Cash and cash equivalents	(2.89)	(5.88)
Other bank balances	(7.42)	(27.80)
Net Debt	2,035.79	2,184.63
Equity share capital	333.51	333.51
Other equity	291.04	421.66
Total Capital	624.56	755.17
Capital and net debt	2,660.34	2,939.80
Gearing ratio	76.52%	74.31%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.



37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in INR Million)

Particulars	March 31, 2024	March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the year.	45.66	10.28
Amount of interest due remaining unpaid to any supplier as at the end of the year.	-	-
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	-	-
Amount of interest accrued and remaining unpaid at the end of year.	0.09	0.70
Amount of further interest remaining due and payable even in the succeeding year	-	-



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38. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

Particulars	(Amount in INR Million)	
	March 31, 2024	March 31, 2023
CURRENT ASSETS		
i. Financial Assets		
Floating Charge		
Cash and cash equivalents	10.32	33.68
Receivables	533.75	942.95
ii. Non Financial Assets		
First Charge		
Inventories	919.47	843.67
Total current assets pledge as security	1,463.53	1,820.31
NON CURRENT ASSETS		
First Charge		
Freehold land	27.57	27.57
Freehold building	504.59	353.38
Plants and equipment's	219.12	209.90
Furniture, fittings and equipment acquired under finance lease	22.01	19.32
Vehicles	93.94	82.57
Work in Progress	37.79	60.21
Total non current assets pledge as security	905.03	752.95



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39. Revenue from Operation**A Disaggregated revenue information**

The table below presents disaggregated revenue from contact with customers for the year ended March 2024 and March 2023. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors

(Amount in INR Million)

Particulars	For the Year ended March 31, 2024	For the Year Ended 31 Mar 2023
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	3,178.35	3,450.15
b. Exports	45.37	39.84
Total Revenue from Operation	3,223.73	3,489.99
B Reconciliation of Gross Revenue from Contracts With Customers		
Gross Revenue	3,361.86	3,551.30
Less: Discount	(138.14)	(61.31)
Net Revenue recognised from Contracts with Customers	3,223.73	3,489.99

Notes:

- B1 The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 to 90 days. There is no significant financing component in any transaction with the customers.
- B2 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.



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Notes to Financial Statements As At March 31st, 2024

40. Financial Ratios

(Amount in INR Million)							
Sr No.	Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	1.25	1.41	-11%	Refer note below
2	Debt Equity ratio	Total Debt	Shareholders Equity	2.10	1.96	-7%	Refer note below
3	Debt Service Coverage Ratio	EBITDAE	Finance costs + Principal repayment of long term borrowings within one year	0.38	1.26	-69%	Owing to loss during the current year
4	Return on Equity	Net Profit after Tax	Shareholders Equity	(0.21)	0.16	-229%	Owing to loss during the current year
5	Inventory Turnover ratio	Cost of Goods Sold	Average Inventory	1.82	2.17	-16%	Refer note below
6	Trade receivables turnover ratio	Revenue from Operation	Average Debtors	4.37	4.60	-5%	Refer note below
7	Trade payables turnover ratio	Purchases	Average Trade Payables	4.31	5.02	14%	Refer note below
8	Net capital turnover ratio	Revenue from Operation	Working Capital	9.71	5.45	78%	Owing to decrease in working capital during the current year
9	Net profit ratio	Profit After Tax	Revenue from Operation	-4.09%	3.55%	-215%	Owing to loss during the current year
10	Return on capital employed	EBIT	Capital Employed (Equity + Long term Borrowings)	4.18%	27.98%	-85%	Owing to loss during the current year
11	Return on investment	EBIT	Average Total Assets	1.48%	12.77%	-88%	Owing to loss during the current year

Note: Since the change in ratio is less than 25%, no explanation is required to be disclosed.



Statutory additional Disclosure

1 Title Deeds of Immovable Property not held in the name of the Company

S.No	Description of Item of the Property	Gross Carrying amount	Title Deed in the name of	Whether title deed holder is Promoter,director,or relative of promoter/director/employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
N.A	N.A	N.A	N.A	N.A	N.A	N.A

2 There is no investment property. Disclosure of the Fair Value of investment property is not applicable to company.

3 The Company has not granted any Loans or advances in nature of Loan to Promoters, directors, KMP and the related parties as defined under Companies Act, 2013 either severally or jointly with any other person, that are repayable on demand without specifying any terms or period of repayment.

4 Capital work in Progress ageing

(Amount in INR Million)

Amount in CWIP for a period of	Projects in Progress	
	As at 31 March 2024	As at 31 March 2023
Less than 1 Year	32.54	60.21
1-2 Years	5.25	-
2-3 Years	-	-
More than 3 Years	-	-
Total	37.79	60.21

5 The Company has no Intangible assets under developments, so the provision of clause of Schedule III of Division II additional disclosure is not applicable

6 No proceeding have been initiated or pending against the Company for holding any benami property under the Benami Transaction (prohibitions) Act, 1988 (45 of 1988) and rules made there under, the Company shall disclose the following,

7 The Company has not been declared as a willful defaulter by any lender who has powers to declare a Company as a willful defaulter at any time during the financial year or after the end of reporting period but before the

8 The Company does not have any charge or satisfaction of charge pending for registration with Registrar of Companies beyond the statutory period.

9 The Company has no subsidiary or holding company as at 31st March 2024. The Provision of Compliance with number of Layer of Companies is not applicable

10 There is no scheme of arrangements in terms of Section 230 to Section 237 of Companies Act 2013 during the year.

11 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.



12 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act 1961, that has not
 Details of income surrendered or disclosed during the year, in the tax assessments under the Income Tax Act, 1961

Name of the Group entity that has surrendered or disclosed income, and relationship with the parent company	Financial year in which income is disclosed	Section of the Income Tax Act, 1961	Amount disclosed in tax return	Amount of surrendered or disclosed income in the tax assessment	Assessment status and Whether transaction recorded in books of accounts?	If yes, financial year in transaction is recorded

13 The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources of kind of fund to any other person or entity including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lender invest on other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or provide any guarantee, security or the like to or in behalf of Ultimate Beneficiaries.

14 Company has not misutilized the funds borrowed during the year.

15 The company has not entered into any transaction with the companies which has been struck off under section 248 of the Companies Act 2013 during the financial year 2023-24.

16 The Company has followed the practice of obtaining year- end balance confirmation certificates for trade balances but are not responded adequately by the concerned parties. And in light of transactions under taken with them the balance appearing in the books are representing the value of Securities / Payable. Hence, the Debtors & Loans & Advances have realizable value in the ordinary course of business not less than the amount at which they are stated in the Balance Sheet.

IND AS 1 -Presentation of Financial Statements.

The amendments requires the companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policies information together with other information is material when it comes to reasonably be expected to influence the decision of primary users of general-purpose financial statements. the company has valued the amendment and the impact of the amendment is insignificant in the financial statements.

IND AS 12 Income Tax

The amendment clarify how companies account for deferred tax on transaction such as lease and decommissioning obligation. The amendment narrowed the scope of the recognition exemption in paragraph 15 and 24 of Ind as 12 (Recognition exemption) so that it is no longer applies to transaction that, on initial recognition, give rise to equal taxable and deductible temporary difference. The company has evaluated the impact and there is no impact on its financial statements.

IND AS 8 -Accounting Policies, changes in accounting estimates and errors.

The amendments will help the entity to distinguish between accounting policies and estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates, under the new definition the accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty ". Entities develop accounting estimates if accounting policies requires items in financial statements to be measured in a way that involves measurement uncertainty. The company has evaluated the amendment and the amendment has insignificant impact on the financial statements.

