

54<sup>th</sup> Annual Report 2023/24  
Voith Paper Fabrics India Limited  
Papermaking. Next Level



Let's boost  
sustainable papermaking.

## BOARD OF DIRECTORS

### Chairman

Benno Edmund Morlock

### Managing Director

R. Krishna Kumar

### Directors

Ravinder Nath

Surinder Kumar Nagpal

Deepti Gupta

Pallavi Dinodia Gupta

## FINANCE CONTROLLER

Kalyan Dasgupta

## COMPANY SECRETARY

C.S. Gugliani

## REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited  
F-65, 1st Floor, Okhla Industrial Area, Phase - I,  
New Delhi - 110020

## REGISTERED OFFICE AND MILL

113/114-A, Sector 24,  
Faridabad - 121 005, (Haryana)  
Delhi NCR, India

## AUDITORS

B S R & Co. LLP, Chartered Accountants (Statutory)

Lodha & Co., Chartered Accountants (Internal)

P.C. Jain & Co., Company Secretaries (Secretarial)

## BANKERS

AXIS Bank Limited

ICICI Bank Limited

Standard Chartered Bank

State Bank of India

The Hongkong and Shanghai Banking Corporation Limited

BNP Paribas

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## Chairman's Communique

Dear Shareowners,

I am pleased to take this opportunity to share my thoughts and present the 54th Annual Report of your Company for the financial year 2023/24. Voith continues to be one of the leading suppliers to global paper industry and your Company is the only Indian manufacturer having the capability to supply entire range of paper machine clothing to paper manufacturers.

In January 2024, I together with other senior team members of Voith Paper Division personally visited India and we were very happy to see the manner in which operations are carried out in your Company. Having consistently contributed to the growth of Voith Paper Division in the region, and consequentially improving the overall profitability of the Division at Group level, your Company has always remained in focus of Voith Group and its performance in current fiscal would add to further strengthening the foundation for coming years.

As a full line supplier, Voith delivers holistic solutions tailored to the customer's need. We, as a trusted partner, take responsibility to ensure that as few resources as possible are used in the paper production process. That is why we have launched our sustainability program 'Papermaking for Life'. Sustainability encompasses responsible resource management, reducing environmental impact and promoting social and economic equality. Sustainable practices aim to ensure a harmonious balance between economic growth, environmental protection and social well-being, ultimately contributing to a healthier planet and a better quality of life for all.

The paper industry is undergoing a remarkable transformation, adapting to the changing needs of the customers and embracing sustainability. The paper industry has the potential to provide environment friendly solutions for single use plastic. Paper can be recycled up to 6-7 times, making it one of the most recycled products in the world. In an era dominated by digital technology, it is quite heartening to note that demand for paper is on the rise worldwide, which is a good sign for future prospects.

Your Company is also committed to being a socially responsible citizen. During the year, your Company had contributed towards welfare of society and discharged its Corporate Social Responsibility (CSR) obligation by making contributions in the areas of healthcare and empowering women to be self-reliant. The Company would continue to do its bit in this area in future also, with all sincerity.

I also take this opportunity to express my deep appreciation to all the employees for their dedicated and disciplined efforts in delivering such outstanding results. I wish that they continue to be an inspiration for other operating units of Voith Group.

Warm regards,

**Benno Edmund Morlock**  
Chairman



## Managing Director's Communique

Dear Shareowners,

I feel honored to share the performance of your Company for another successful financial year. Your Company is leaving no stone unturned in preparing itself for the future and in setting the trend & leading from the front. Our concerted efforts, coupled with keen desire to serve with passion, has resulted in consistent delivery of superior quality products and creation of a loyal customer base.

For the year ended on 31st March 2024, your Company has achieved total revenue of INR 1,796.17 million marking an increase of about 9% over previous year and profit before tax at INR 487.95 million depicts an increase of about 14% over previous year. I feel proud that our team has been consistently delivering commendable results and are quite confident of our ability to deliver sustainable growth in coming years.

It is pertinent to note that we have opportunities available in other markets - like North & South America, EU, China and South East Asia, which are the regions covered by our other Voith Group Companies. In these regions our products can be merchandised through the local Group Company, leading to increased turnover and profits for your Company, by accessing a wider customer base in foreign markets. However, such arrangement would be construed as 'Related Party Transaction' requiring your approval in certain cases under the prevailing provisions of law. This approval would enable us to utilize our full potential in a cost effective manner.

As a full line supplier, Voith considers all aspects of the paper production process with an integrated approach. Our goal is to deliver superior quality fabrics at competitive price, thereby enabling our customers to meet their operational and quality targets.

Coming to the industry insights, demand for paper is growing at a good pace, making it one of the fastest growing industries in the world. We expect a growth in graphic paper demand from the education sector, on account of impending changes in New Education Policy and curriculum, along with the introduction of new textbooks in 22 languages. Consumer preferences for sustainable and eco-friendly paper products influence purchasing decisions in packaging segment. With increasing mobility, combined with hygiene consciousness is driving demand for tissue segment. All these factors are likely to give impetus to Indian Paper industry driving demand for paper and consequently for our products.

As we look ahead, we are filled with optimism for future. India is the world's fastest growing economy and is expected to be the third in the pecking order within this decade. This progress is the result of large consumer base coupled with measures taken by the government to enhance ease of doing business. We are committed to leveraging our strengths, exploring new opportunities, and driving continued & sustainable growth, to create lasting value for all stakeholders.

The ability of an organization to realize its objectives ultimately depends on its human resources. At Voith, we firmly believe that our employees are the foundation of our existence, and their contribution is instrumental in the success journey of your Company. Through various employee engagement activities, we try to develop a sense of belongingness amongst our team members. Together, we strive to create new milestones with each passing year.

In every way, we are firmly on our way to becoming a more future-ready Company and determined to keep formulating robust strategies and means to combat the challenges of dynamic business environment.

I would like to thank all the stakeholders for their continuous support.

I look forward to your active participation at the Fifty-fourth Annual General Meeting which is being convened in virtual mode.

Warm regards,

**R. Krishna Kumar**  
Managing Director

## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present before you, the Fifty-fourth Annual Report along with the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2024.

## FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended March 31, 2024 is summarized below:

	(INR in millions)	
	For the year ended	
	31/03/2024	31/03/2023
Revenue from operations	1,796.17	1,643.69
Profit before taxation	487.95	428.02
Tax expense	125.01	110.44
Total comprehensive income for the year	361.71	316.82
Earnings Per Share (EPS) (In rupees)	82.67	72.34

There were no material changes and commitments affecting the financial position of the Company, which have occurred since the end of the financial year.

### DIVIDEND

The Board of Directors makes recommendation of dividend keeping future growth objectives of the Company are met through internal accruals and ultimately leading to capital appreciation for investors over long term.

Based on your Company's performance, the Board of Directors of your Company has recommended, payment of dividend @ 80%, i.e., of Rs.8/- per equity share of Rs.10/- each fully paid-up, for the year ended 31<sup>st</sup> March, 2024, aggregating to Rs.35.14 million. The dividend, if approved at the Annual General Meeting, would be paid to the eligible members, subject to TDS at applicable rates, within the stipulated time.

### DIRECTORS

Mr. R. Krishna Kumar shall be retiring by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, offers himself for reappointment.

Further, as per SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, sub-regulation 1D has been introduced under regulation 17 of the cited regulations, which provides that "with effect from 1<sup>st</sup> April, 2024, the continuation of a director serving on the Board of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every 5 years from the date of their appointment or re-appointment, as the case may be". Mr. Benno Edmund Morlock, was nominated by the Holding Company as a Non-Executive Director, designated as Chairman of the Board of Directors, effective from 10<sup>th</sup> November, 2018, not liable to retire by rotation. Accordingly, his continuation on the Board would be subject to approval from members at the forthcoming Annual General Meeting.

Mr. Benno Edmund Morlock is a German National and studied Strategic Marketing, Industrial Management and Psychology at the University of Mannheim. In the past he has worked with several reputed Companies such as Kodak and Heidelberger Printing Systems, at senior positions. He has been associated with Voith Group since 2007 and has worked as CEO for Industry and Mining divisions. Since 2018, he is serving as the President, Business Line Fabrics and Roll Systems, a part of Voith Paper Group Division. During his association with the Company Mr. Morlock has contributed to the Company's growth with his vast experience and knowledge. Hence, the Nomination and Remuneration Committee, as well as the Board of Directors, are of the view that his continued presence on Board would be beneficial for the Company.

In Compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (here-in-after referred to as 'Listing Regulations'), brief resume, expertise and details of other directorships, membership in committees of other companies and shareholding in the Company, of directors who are proposed to be re/appointed, are as under:

Name of the Director	Mr. R. Krishna Kumar	Mr. Benno Edmund Morlock
DIN	05344619	08276536
Age in years	49 years	63 years
Date of initial Appointment in the Company	23 <sup>rd</sup> July, 2014	10 <sup>th</sup> November, 2018

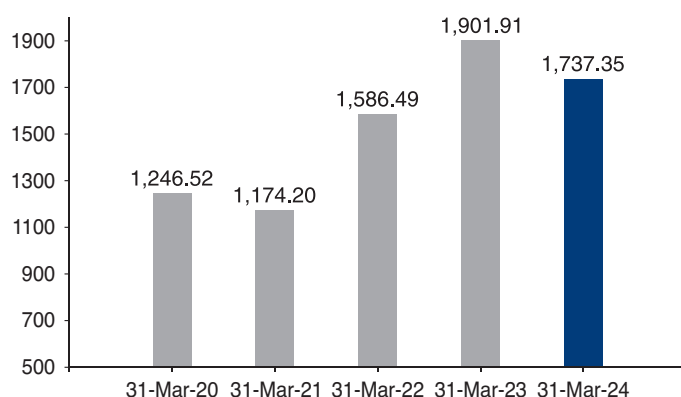
Name of the Director	Mr. R. Krishna Kumar	Mr. Benno Edmund Morlock
Expertise in Special Functional Areas	Engineering and Administration	General Management
Qualification	B.E.	Master's Degree in Business Administration.
Directorships held in other companies in India, as on 31/03/2024	Voith Paper Technology (India) Private Limited	NIL
Membership of committees of other companies, in which he is a Director, as on 31/03/2024	CSR Committee – Voith Paper Technology (India) Private Limited	NIL
Listed entities from which resigned in past three years	NIL	NIL
No. of shares held in the Company (Including those held by relatives)	NIL	NIL

*None of the Directors of the Company have any inter-se relationship with each other.*

## PERFORMANCE OVERVIEW

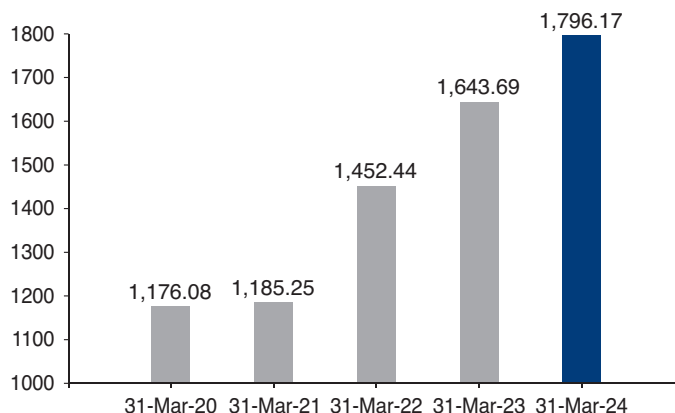
### Orders Received

■ INR in million



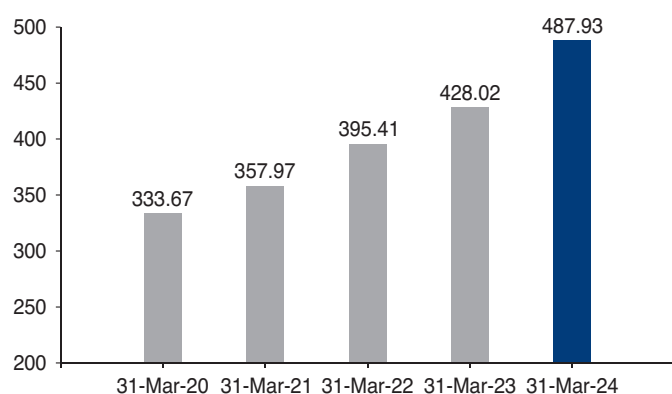
### Sales/Revenue

■ INR in million



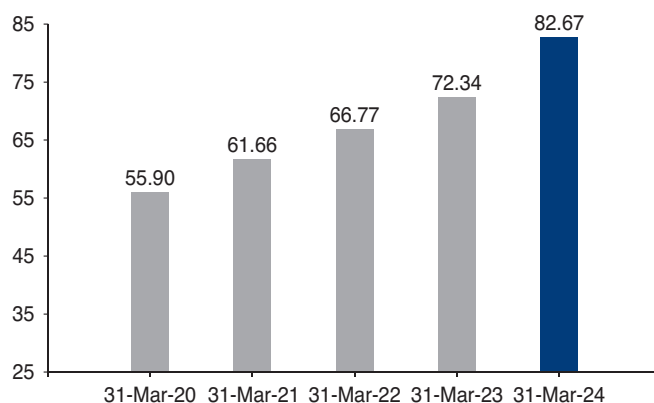
### Profit Before Tax

■ INR in million



### Earnings Per Share

■ INR



## TRANSFER TO RESERVES

For the year under review, Company has added the entire available surplus, to the brought forward balance in "Statement of Profit and Loss", without making any transfer to the general reserve.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company neither gave any loans or guarantee nor made any investments in terms of provisions of Section 186 of the Companies Act, 2013.

## CHANGES IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the Financial Year 2023/24.

## CAPACITY ENHANCEMENT

Considering the opportunities likely to be created in future, Company is constantly on the look-out to bring about improvements in the process of its operations for improvement in the productivity and quality of its products. For this purpose, necessary capital investments are being made by the Company, that may not always result in significant capacity enhancement.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the Regulators or Courts or Tribunals, which would impact the 'going concern' status of the Company and its future operations. However, members' attention is drawn to the details about Contingent Liabilities and Commitments appearing in the Notes forming part of the Financial Statements.

## INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Details of Internal Financial Controls and its adequacy are included in the Management Discussion and Analysis Report, forming part of this Report.

## PARTICULARS OF CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES

As per the provisions of Companies Act, 2013 and Regulation 23 of 'Listing Regulations', the Company has formulated a Policy on Related Party Transactions to ensure transparency in transactions between the Company and the related parties. The said Policy is available at link of 'Company Policies' on 'Investors Corner' page on the Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

During the year under review, all transactions with related parties were carried out in the ordinary course of business at arms' length basis and details of such transactions are mentioned in notes attached to the financial statements, appearing elsewhere in the Annual Report. Further, Form AOC-2 containing the necessary disclosure in this regard is attached as Annexure – I and forms an integral part of this report.

## AUDITORS REPORT

The observations of statutory auditors are self-explanatory and therefore do not call for any further comments.

## AUDITORS

- A. Statutory Auditors – During the year under review, M/s B S R & Co. LLP; Chartered Accountants, carried out the Statutory Audit and submitted their report.
- B. Internal Auditors – During the year under review, M/s Lodha & Co., Chartered Accountants, carried out the Internal Audit and submitted their report.
- C. Secretarial Auditors – During the year under review, M/s P.C. Jain & Co., Company Secretaries, carried out the Secretarial Audit and submitted their report.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) and 134(5), the Board of Directors, to the best of their knowledge and ability, confirm that:

1. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and are prudent so as to give a true & fair view of the state of affairs of the Company at the end of the Financial Year and of the profits of the Company for the period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
4. the Directors have prepared the Annual Accounts on a 'going concern basis';
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating efficiently; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## RISK MANAGEMENT

The Board confirms that there exists a structure in the Company to identify, assess, evaluate and mitigate various types of risks w.r.t. the operations of the Company. In view of the Board, none of the elements of any such risk threaten the existence of the Company.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of Companies Act, 2013 and Regulation 16 of the 'Listing Regulations'.

## CORPORATE GOVERNANCE

The Board of Directors has laid down a Code of Conduct to be followed by all the Directors and members of Senior Management of your Company. The Board of Directors supports the principles of Corporate Governance and lays strong emphasis on transparency, accountability and integrity.

A Report on Corporate Governance along with required Certificate from a Company Secretary in Practice, pursuant to requirements of the Listing Regulations has been included in this Report separately. In terms of Regulation 17(8) of the Listing Regulations, a Certificate of CEO & CFO is also provided to the Board.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act, read along with Rule 8, of Companies (Accounts) Rules, 2014, is given in Annexure – II.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As Company is not falling under the Top-1000 listed entities, based on market capitalization as at 31/03/2024, the provisions of Regulation 34(2)(f) of the Listing Regulations pertaining to the Business Responsibility and Sustainability Report (BRSR), are not applicable.

## FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from public during the year under review. Accordingly, there are no unclaimed or unpaid deposits lying with the Company for the year under review.

## PARTICULARS OF EMPLOYEES

Particulars required to be disclosed in pursuance of the provisions of Section 197, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure – III.

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- Outline of CSR Policy including overview of projects or programs undertaken during the year ended 31<sup>st</sup> March, 2024:** Corporate Social Responsibility (CSR) describes how a Company contributes towards the well-being of the society and takes it as a responsibility, to not just earn the profits but to contribute certain portion of it for the development of the society and thus achieve a balance between economic and social imperatives. To achieve this balance, Company had contributed requisite sums towards fulfilling its CSR obligations, by providing financial aid to some NGOs involved in the field of promoting healthcare and empowerment of women.
- Composition:** The CSR Committee presently comprises of four directors. Three of whom are Non-Executive Directors.

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. Benno Edmund Morlock	Non-Executive & Non-Independent Director, Chairman	2	1
2	Mr. Ravinder Nath	Non-Executive & Non-Independent Director, Member	2	1
3	Mr. S.K. Nagpal	Non-Executive & Independent Director, Member	2	1
4	Mr. R. Krishna Kumar	Executive & Non-Independent Director, Member	2	2

- The Composition of CSR committee, CSR Policy and CSR projects approved by the Board can be accessed at link of 'CSR Annual Action Plan for FY 2023/24' under 'Corporate Social Responsibility Policy' under 'Company Policies' on 'Investors Corner' page on the Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: **Not Applicable**
- Average net profit of the Company as per sub-section (5) of Section 135: **INR 396.860 million**
  - Two percent of average net profit of the Company as per sub-section (5) of Section 135: **INR 7.940 million**
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
  - Amount required to be set-off for the financial year, if any: **Nil**
  - Total CSR obligations for the financial year [(b)+(c)-(d)]: **INR 7.940 million**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 7.941 million**  
 (b) Amount spent in Administrative Overheads: **Nil**  
 (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 7.941 million**  
 (e) CSR amount spent or unspent for the financial year: **INR 7.941 million**

Total Amount spent for the Financial Year 2023/24 (INR in million)	Amount Unspent (INR in million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7.941*	Nil	NA	NA	Nil	NA

* Name of partner NGO		Amount (INR Million)
a)	The Earth Saviours Foundation - towards medical equipment for abandoned senior citizen and homeless mentally disabled persons.	3.259
b)	Bharat Vikas Parishad Social Welfare Trust - towards medical equipment for providing medical facilities at concessional rates to needy people.	2.049
c)	National Association for the Blind - towards medical equipment for a Charitable Eye Hospital.	1.064
d)	E.N.D. (Efforts Never Die) Charitable Trust - towards distribution of sewing machines to support needy women and empowering them to become self-reliant.	0.626
e)	Sambharye Foundation - towards medical equipment to provide healthcare facility to underprivileged strata of society.	0.624
f)	Dil Se Mehek - for installation of sanitary pads vending and disposal machines for marginalized girls in nearby schools.	0.319
<b>Total</b>		<b>7.941</b>

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

Sr. No.	Particulars	Amount (INR in million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	7.940
(ii)	Total amount spent for the Financial Year	7.941
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.001
(iv)	Surplus arising out of CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

- (g) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **Not applicable**

(Amount INR in million)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135	Amount spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of transfer		
1	-	-	Nil	Nil	Nil	-	-	-

- (h) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NIL**

Sl. No.	Short particulars of the property or assets(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of Entity/ Authority/ Beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
<b>Not applicable</b>							

- (i) Specify the reason(s), if the Company has failed to spend two percent of the average net profits as per sub-section (5) of Section 135: **Not Applicable**

Sd/-  
Benno Edmund Morlock  
Chairman of the CSR Committee  
(DIN: 08276536)

Sd/-  
R. Krishna Kumar  
Managing Director  
(DIN: 05344619)

## ANNUAL EVALUATION BY THE BOARD

The Board has carried out the annual evaluation of its own performance, of each of its Committee and of all Individual Directors, as required under the provisions of Section 134(3)(p) of the Companies Act, 2013 and the applicable provisions of Listing Regulations. The manner in which such performance evaluation exercise was carried out is given below:

The Nomination and Remuneration Committee (NRC) carries out the evaluation process at initial stage, followed by evaluation by Board. The performance evaluation framework is in place to seek the response of each Director on the evaluation of the entire Board and Individual Directors, on defined parameters.

The criteria of evaluation of Board as well as that of its each Committee; and Individual Directors, including the Chairman of the Board; as defined by NRC in this regard, includes attendance and contribution of each Director at the meetings or otherwise, independent judgment, adherence to code of conduct and business ethics, monitoring of regulatory compliance, risk management and review of internal control system, etc.

The performance of the Board and Individual Directors was also evaluated by the Board seeking inputs from all Directors on aforesaid parameters. The performance of Committees was evaluated by the Board seeking inputs from concerned Committee Members. A separate meeting of the Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Executive as well as Non-Executive Directors.

## PREVENTION OF SEXUAL HARASSMENT CASES

As required under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with rules made thereunder, the Company has constituted an "Internal Complaints Committee" which is responsible for redressal of complaints related to sexual harassment. The necessary disclosure in terms of requirements of Listing Regulations in this regard is given below:

- Number of complaints filed during the financial year – Nil
- Number of complaints disposed off during the financial year – N.A.
- Number of complaints pending as on end of financial year – Nil

## NUMBER OF MEETINGS OF THE BOARD

During the year under review, four meetings were convened and held. Details of composition of Board and its committees and of the meetings held, attendance of the Directors and other relevant details are provided in the Corporate Governance Report.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations and the circulars issued by the MCA and SEBI in this regard.

## POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Board has originally constituted its Remuneration Committee on 31<sup>st</sup> January, 2002 as part of good corporate governance practice. The current policy is to ensure that appropriate and suitable members are appointed on the Board of the Company and that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and meets appropriate benchmarks.

The Nomination & Remuneration Committee, at its sole discretion, considers the integrity, qualification, expertise, proficiency and experience of the person for appointment as a Director and then recommends to the Board of his/her appointment.

#### REMUNERATION CRITERIA

- Executive Director / Managing Director / Whole-time Director: They shall be paid remuneration comprising of several components (including fixed as well as variable) decided and approved by the Board from time to time on recommendation of the Committee. Such remuneration is determined according to industry standards, experience, laws and regulations, prevailing market conditions and the scale of Company's business relating to the position.
- Other Directors: The Company remunerates its Non-Executive Indian Directors by way of Sitting Fees for attending meetings of the Board and/or any Committee thereof as may be decided by the Board from time to time, subject to the maximum amount as may be prescribed by the Central Government in this regard.

The policy is available at 'Company Policies' link on 'Investors Corner' page at Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

#### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s P.C. Jain & Co., Company Secretaries to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed as Annexure – IV.

The Secretarial Audit Report does not contain any qualification, observation or other adverse remarks.

#### FRAUDS REPORTED BY THE AUDITORS

None of the auditors – Statutory, Secretarial or Internal, have reported any incident of fraud to the Audit Committee/Board of Directors, in their respective report, for the periods reviewed by them.

#### SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, as amended from time-to-time.

#### SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company neither has any Subsidiary, Joint Venture or Associate Company; nor has any Company become or ceased to be its Subsidiary, Joint Venture or Associate Company, during the year.

#### ANNUAL RETURN

As required under the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, a copy of the relevant Annual Return would be made available at 'Investor Relations' link on the 'Investors Corner' page of Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

#### MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified under the provisions of Section 148(1) of the Companies Act, 2013 are **not applicable** for the business activities carried out by the Company.

#### PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is **not applicable**.

#### VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS

The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is **not applicable**.

#### APPRECIATIONS

The Board of Directors convey their heartiest gratitude towards all the stakeholders for their continued support and their unflinching faith in the Company. We look forward to deliver enhanced value for our stakeholders and achieve new heights in future.

For and on behalf of the Board of Directors

S.K. Nagpal (011711148)  
Deepti Gupta (08481203)  
Pallavi Dinodia Gupta (06566637)  
Directors

R. Krishna Kumar (05344619)  
Managing Director

Date : 28<sup>th</sup> May, 2024  
Place : New Delhi

## ANNEXURE - I

### FORM NO. AOC-2

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

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 the third proviso thereto.

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

There were no contracts or arrangements or transactions entered into by the Company with any related party, during the year ended March 31, 2024, which were not at arm's length basis.

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

The particulars of related party transactions, including those considered as 'material' related party transactions, carried out in the ordinary course of business at arm's length basis, are appearing at Note No.39 forming part of the financial statements of this Annual Report.

## ANNEXURE - II

Information required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

### A. CONSERVATION OF ENERGY

The Company remains in constant pursuit to carry out its operations in an environment friendly manner as well as to reduce the consumption of energy. This is monitored regularly at various stages of production processes and suitable actions are implemented wherever needed & feasible. As part of this exercise, some more conventional lights were replaced with LED lights during the year under review. However, Company has not made any capital investment on procuring Energy Conservation Equipment.

### B. TECHNOLOGY ABSORPTION

The Company gets need based technical know-how from Voith Group and develops its technology and products from time to time. However, no new specific technology has been imported by the Company during last three years.

Expenditure incurred on R & D during the year is given below:

	(INR in Millions)
Capital	-
Recurring	61.67
Total (a + b)	61.67
Total R & D expenditure as a percentage of total turnover	4.23%

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports (excluding Nepal) during the year were INR 242.67 million. Your Company strives to explore new foreign markets and to enlarge its share in the existing markets.

	(INR in Millions)
Foreign Exchange Earnings (actual inflows)	259.91
Foreign Exchange Expenditure (actual outgo)	826.04

## ANNEXURE - III

As at 31<sup>st</sup> March, 2024 there were 136 employees on the rolls of the Company. For the financial year ended on 31<sup>st</sup> March, 2024, median remuneration of the employees of the Company was INR 10,15,985/- (INR 1.02 million).

The ratio of remuneration (INR 25.37 million) of the Managing Director, Mr. R. Krishna Kumar to the median remuneration of the employees of the Company was 24.87 times. The ratio of remuneration of other directors to the median remuneration of employees of the Company is as follows: Mr. Ravinder Nath: 0.28 times; Mr. Surinder Kumar Nagpal: 0.38 times; Dr. Deepti Gupta: 0.48 times; and Ms. Pallavi Dinodia Gupta 0.41 times.

The percentage increase in the median remuneration of all employees for the year ended 31<sup>st</sup> March, 2024, over last year's median remuneration was about 10.39%, whereas during this period the Company has registered a growth in PBT of about 14.00%. The percentage increase/(decrease) in the remuneration of Managing Director for the said period was 18.88%. Other directors, viz., Mr. Ravinder Nath; Mr. Surinder Kumar Nagpal; Dr. Deepti Gupta; and Ms. Pallavi Dinodia Gupta were not paid any remuneration except the sitting fee for attending the meetings of the Board and/or its Committees.

In case of the CFO, Mr. Kalyan Dasgupta and the Company Secretary, Mr. C.S. Gugliani, the increase in remuneration was 21.43% and 20.43%, respectively. Whereas, the average increase in remuneration of employees of the Company was 18.08% which is in line with the policy of the Company and prevailing market conditions.

During the year, the average increase in the remuneration of all employees, excluding the remuneration of Managing Director was 17.40%, whereas the increase in remuneration of Managing Director was 18.88%. The increase in remuneration of Managing Director has been as per the Nomination & Remuneration Policy of the Company and in accordance with the approval of the shareholders. Besides this, there were no exceptional circumstances for increase in remuneration of Managing Director. The other Directors, who are resident in India, are paid only the sitting fee for attending the meetings of the Board and/or its Committees and are not paid any variable component.

Information as required under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the financial year ended 31<sup>st</sup> March, 2024, is as follows:

Name of Employee	Age (in Years) as on 31/03/2024	Designation; Nature of duties; date of commencement of employment and experience in years	Annual Remuneration (INR in Million)	Qualifications	Last employment Held	% of Equity Shares Held by Employee	Whether related to any Director of the Company
R. Krishna Kumar	49	Appointed as the Managing Director with effect from 1 <sup>st</sup> August, 2014 for a period of five years and reappointed for another term of five years, effective from 1 <sup>st</sup> August, 2019.  He possesses a total experience of about 28 years. He is responsible for overall management and day-to-day affairs of the Company. He has worked for the Company in various capacities, lastly in the capacity of President, since 1 <sup>st</sup> January, 2010.	25.37	B.E.	Vice President - Voith Paper Technology (India) Private Limited / Assistant General Manager - Larsen & Toubro Limited.	NIL	No

## REMUNERATION OF TOP 10 EMPLOYEES

Sl. No.	Name of Employee	Designation / Nature of Duties	Remuneration (Amount in INR million)	Nature of Employment (Contractual or otherwise)	Qualifications	Experience (in years)	Date of Commencement of Employment	Age in years	Last Employment Held	% of Equity Shares Held by Employee	Whether related to any Director of the Company
1	Kalyan Dasgupta	VP	7.65	Permanent	Bachelors in Accounting & AICWA	35	16.07.2009	61	Jindal Saw Ltd	NIL	No
2	Praveen Batra	AVP	5.35	Permanent	Masters in Pulp and Paper Technology from IIT Rorkee	34	27.06.2005	58	Wires and Fabrics (SA) Limited	NIL	No
3	Rakesh Kumar Malani	DGM	4.99	Permanent	Bachelors in Textile Technology & PGDBA from IGNOU	28	06.07.2007	51	Wires and Fabrics India Limited	NIL	No
4	Mahesh Arora	Chief Manager	3.85	Permanent	Bachelors in Textile Technology (GMTA) and PGDBA from IGNOU	36	17.07.1990	57	Nuchem Limited	40 shares (0.0009%)	No
5	Shailesh Jha	Chief Manager	3.83	Permanent	Bachelors in Mechanical Engineering from BIT Mesra	20	05.10.2012	42	Timken India Limited	NIL	No
6	Bhatu Kuwar	Sr. Manager	3.71	Permanent	Bachelors in Pulp and Paper Technology	30	17.08.2006	51	Wires and Fabrics (SA) Limited	NIL	No
7	Rajesh Pruthi	Chief Manager	3.71	Permanent	Diploma in Chemical Engg. Spec in Pulp and Paper Technology	27	08.09.2003	47	Nalco Chemicals India Limited	NIL	No
8	Archana Sharma	Chief Manager	3.51	Permanent	Masters in Commerce & Fellow Member of ICAI	23	01.10.2008	43	Ajay Mittal & Co.	NIL	No
9	Chander Bhushan Sehgal	Chief Manager	3.37	Permanent	Masters in Sociology, Dip. in Human Resource Management, Dip. in Personnel Management, Dip. in Labour Welfare	42	04.12.1982	62	Kelvinator India Limited	25 shares (0.0006%)	No
10	C.S. Gugliani	Company Secretary	3.36	Permanent	Masters in Commerce & Fellow Member of ICSI	37	08.02.2002	59	KCC Software Limited	NIL	No

## ANNEXURE - IV

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

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

To,  
The Members,  
**Voith Paper Fabrics India Limited,**  
Plot No. 113/114 - A, Sector-24,  
Faridabad – 121005 (Haryana)

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Voith Paper Fabrics India Limited CIN: L74899HR1968PLC004895 (hereinafter called "the Company")**. The Secretarial Audit was conducted for the Financial Year 2023-24 in a manner that provided us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 there under;
- (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; **(Not applicable for the period under review)**
- (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 (Listing Obligations and Disclosure Requirement) Regulations, 2015, except during the period under review, fine of Rs.11,800/- was imposed on the Company for 2 (two) days delay in filing of Related Party Transactions pertaining to half-year period from 1<sup>st</sup> April, 2023 to 30<sup>th</sup> September, 2023.
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable for the period under review)**
  - (e) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity Share) Regulations, 2021; **(Not applicable for the period under review)**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable for the period under review)**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable for the period under review)**
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable for the period under review)**
- (vi) On the basis of written Representation and details of Industry provided by the Company, we confirm that no other laws are specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE Limited) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**We further report that** during the audit period no specific events/actions were taken by the Company which has a major bearing on the Company's affairs in pursuance of the act, rules, regulations, guidelines, standards, etc.

For P. C. Jain & Co.  
Company Secretaries  
(FRN: P2016HR051300)

(P.C. Jain)  
Managing Partner  
COP No.:3349  
M. No.: FCS 4103

Place : Faridabad  
Date : 18.05.2024  
UDIN : F004103F000395241

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

## Annexure - A

To,  
The Members,  
Voith Paper Fabrics India Limited  
Plot No. 113/114-A, Sector-24,  
Faridabad-121005 (Haryana)

Dear Members,

Our Secretarial Audit Report for the financial year 2023-24 of even date is to be read along with this letter.

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

For P. C. Jain & Co.  
Company Secretaries  
(FRN: P2016HR051300)

(P.C. Jain)  
Managing Partner  
COP No.:3349  
M. No.: FCS 4103

Place : Faridabad  
Date : 18.05.2024  
UDIN : F004103F000395241

## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

At Voith, we are committed to the highest level of governance and also foster a culture of ethics, sustainability, integrity and respect for all. We believe that governance is crucial aspect and plays an important role in the functioning of business. Good Corporate Governance is an ongoing exercise and the Company is committed to pursue the same. We consider it as our inherent responsibility to comply with the standards of governance and protect the rights of shareholders and also disclose timely, adequate and accurate information regarding the business.

Effective corporate governance practices lay down the foundation on which successful enterprises are built. The Company endeavors to ensure transparency, integrity and accountability in its functioning which are vital to the growth of the organization as well as of the stakeholders. For effective implementation of standards of governance practices, the Company has well defined code of conduct and policies and procedures and effective internal control system at place.

Corporate Governance by Voith is manifestation of its culture and internal policies which founded its way back in 1927, long before this concept was reckoned by the Indian Corporate World. Firm commitment to our values is vital to gain and retain trust of our stakeholders. We believe that corporate governance is more than just a system of procedures to be followed; conversely it shows the culture of the Company and make its officials accountable and reliable.

Your Company confirms compliance with the Corporate Governance requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time [hereinafter referred to as 'Listing Regulations 2015'], the details of which are as set out hereunder:

### BOARD OF DIRECTORS

- Board's Composition – As at 31<sup>st</sup> March, 2024, the Board of Directors of the Company comprised of six Directors including a Non-Executive Chairman, a Managing Director, one Non-Executive Non-Independent Director, one Non-Executive Independent Director and two Non-Executive Independent Woman Directors. The Chairman of the Board is nominated by the Holding Company. None of the directors hold any inter-se relationship with each other.

The Board of Directors plays a crucial role in overall functioning of the organization. The Board functions in accordance with the powers prescribed under Companies Act, 2013; Listing Regulations 2015; Memorandum and Articles of Association of the Company and other guidelines issued by the authorities, from time to time.

- Skill/expertise/competence of the Board of Directors of the Company – The Board of Directors have identified the following list of core skills/expertise/competencies required of its members, in context of business of the Company and for it to function effectively. Presently, the Board members who possess the identified skill/expertise/competencies is given below:
  - Business Administration, Engineering & Technical – Mr. Benno Edmund Morlock, Dr. Deepti Gupta and Mr. R. Krishna Kumar.
  - Finance & Accounts – Mr. Surinder Kumar Nagpal and Ms. Pallavi Dinodia Gupta.
  - Legal – Mr. Ravinder Nath and Ms. Pallavi Dinodia Gupta.

All directors possess functional knowledge of Finance & Accounts.

The Board already has a balanced mix of persons, comprising of individuals possessing rich experience in areas like engineering & technical, finance & accounts, legal, administration and operations, etc., and are functioning quite good as a team. The Composition of Board is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations 2015. All Statutory and material information are made available to the Board of Directors to ensure adequate disclosures and transparent decision making process.

- Details of Board Meetings – Between the period from 1<sup>st</sup> April, 2023 and 31<sup>st</sup> March, 2024, the Board met on four occasions as follows:
  - On 12<sup>th</sup> May, 2023 in first Quarter of 2023/24.
  - On 07<sup>th</sup> August, 2023 in second Quarter of 2023/24.
  - On 08<sup>th</sup> November, 2023 in third Quarter of 2023/24.
  - On 02<sup>nd</sup> February, 2024 in last Quarter of 2023/24.
- Meeting of Independent Directors – As per requirement of Regulation 25 of Listing Regulations 2015 and provisions of Section 149 read with Schedule IV of Companies Act, 2013, an exclusive meeting of Independent Directors was also held without the presence of Non-Independent Directors & members of management, on 02<sup>nd</sup> February, 2024, at which all Independent Directors were present.

The Board also confirms that in its opinion, all the independent directors fulfill the applicable conditions of independence as specified in the Listing Regulations 2015 and that they are independent of the management of the Company.

- Names and Categories of Directors on the Board, their attendance at the Board Meeting and Annual General Meeting and number of Directorships and Committee positions held by them in other companies, as at 31<sup>st</sup> March, 2024, are as given below:

Name of Director	Category	Number of Board Meetings attended during the year	Attendance at the last AGM held on 10/08/2023	No. of Directorships held as on 31/03/2024 in other Indian companies (Public and Private)		No. of Audit/SRC Committee Memberships held in other Indian Public Companies as on 31/03/2024	
				As Chairman	As Director	As Chairman	As Member*
Mr. Benno Edmund Morlock (Chairman of the Board)	Non-Executive and Non-Independent Director (Nominee of the Holding Company)	2	Present	-	-	-	-
Mr. Ravinder Nath	Non-Executive and Non-Independent Director	3	Present	-	4	-	-
Mr. Surinder Kumar Nagpal	Non-Executive and Independent Director	3	Present	-	1	1	1
Dr. Deepti Gupta	Non-Executive and Independent Director	4	Present	-	-	-	-
Ms. Pallavi Dinodia Gupta	Non-Executive and Independent Director	4	Present	-	3	1	4
Mr. R. Krishna Kumar	Managing Director	4	Present	-	1	-	-

\* The memberships count will also include the count in which the Director is a Chairperson.

- Details of other listed entities where the Directors, Mr. Ravinder Nath, Mr. Surinder Kumar Nagpal and Ms. Pallavi Dinodia Gupta are holding any Board position is given below:

Name of Director	Directorships (with Category) held in other Listed Companies as on 31/03/2024
Mr. Ravinder Nath	Somany Ceramics Limited – Independent Director
Mr. Surinder Kumar Nagpal	Shivkamal Impex Limited – Independent Director
Ms. Pallavi Dinodia Gupta	Jagson Pal Pharmaceuticals Limited – Independent Director Indiamart Intermesh Limited – Independent Director

- Details of shareholding of Directors and their relatives as on 31/03/2024:

Name of Director	Shares held by Director & their relatives in the Company	Total Shares held
Mr. Benno Edmund Morlock	NIL	NIL
Mr. Ravinder Nath	NIL	NIL
Mr. Surinder Kumar Nagpal	NIL	NIL
Dr. Deepti Gupta	NIL	NIL
Ms. Pallavi Dinodia Gupta	NIL	NIL
Mr. R. Krishna Kumar	NIL	NIL

- Familiarization Programme for Independent Directors:

The Independent Directors are already conversant about their roles, rights, duties and responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc., as most of them have been associated with the Company for many years.

Further, at each Audit Committee Meetings and Board Meetings, some time is normally allocated for Independent Directors, when they are usually briefed about the latest updates pertaining to the operations, business model/developments of the Company; regulatory/statutory changes and its likely impact on the Company workings etc., that have occurred since previous Board Meeting, by the Statutory Auditors, Managing Director, as well as the Company Secretary. The Directors are also encouraged to visit the Plant of Company, where senior officials apprise them of the various functional and allied aspects to enable them to have complete understanding & appreciation on the workings of the Company. This way they devote adequate time to understand, familiarize and remain updated about the activities of the Company.

The necessary disclosures about the familiarization programme for independent directors, as above, is also available at link of 'Investor Relations' on 'Investors Corner' page on the Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

- Committees of the Board – The Company has constituted the following four Committees of the Board as per the requirements of Companies Act, 2013 and Listing Regulations, 2015:

#### A. AUDIT COMMITTEE

**Terms of reference** - The Audit Committee provides direction to the audit function in the Company and monitors/reviews the quality of financial management and Internal Audit. It also oversees the financial reporting process for proper disclosure in the financial statements and recommends appointment, re-appointment and removal of the auditors and about fixing their remuneration.

The Committee also reviews the quarterly, half-yearly as well as annual financial statements before the same are submitted to the Board, with particular reference to matters to be included in Directors' Responsibility Statement; changes, if any, in the accounting policies and practices; major accounting entries involving estimates based on exercise of judgment by the management; significant adjustments made in financial statements; compliance with listing and other legal requirements relating to financial statements; disclosure and approval of related party transactions; qualifications, if any, in the draft audit report; etc. It also oversees the working of the Internal Audit system, including the internal control mechanism of the Company.

**Composition** - In accordance with the provisions of Section 177 of Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015, as at 31<sup>st</sup> March, 2024 the Audit Committee of the Company comprised of three Non-Executive & Independent Directors and one Executive Director under the Chairmanship of Mr. Surinder Kumar Nagpal.

**Meetings and Attendance** - Four meetings of the Audit Committee of the Board of Directors took place during the year under review. For the year ended 31/03/2024, the attendance details of Committee Members at the meetings held on 12<sup>th</sup> May, 2023, 07<sup>th</sup> August, 2023, 08<sup>th</sup> November, 2023 and 02<sup>nd</sup> February, 2024, is as follows:

Name & Designation of Director in the Committee	Category	No. of meetings attended
Mr. Surinder Kumar Nagpal, Chairman	Non-Executive & Independent Director	3
Dr. Deepti Gupta, Member	Non-Executive & Independent Woman Director	4
Ms. Pallavi Dinodia Gupta, Member	Non-Executive & Independent Woman Director	4
Mr. R. Krishna Kumar, Member	Managing Director	4

Mr. C.S. Gugliani, Company Secretary, is the Secretary to the Committee.

#### Related Party Transaction Policy

Company has formulated a Policy on Related Party Transactions as per the requirements of Listing Regulations, 2015 which was lastly reviewed and approved by the Board in February 2023.

The relevant Policy can be accessed at link of 'Company Policies' on 'Investors Corner' page on the Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

#### B. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

**Terms of Reference** - The salient functions of the Stakeholders' Relationship Committee (SRC) include, resolving the grievances of shareholders, overseeing the allotment/approvals & rejection of transfer/transmission of shares, split/consolidation, etc.; issue of duplicate share certificates; reviewing the various aspects of interest of shareholders & measures for improvement etc.; and compliance with the listing requirements for Securities of the Company, including dematerialization and/or rematerialization of securities and all allied matters related hereto.

**Composition** - In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of Listing Regulations, 2015, as at 31<sup>st</sup> March, 2024, the SRC comprised of three Directors out of which one being an Independent Director, under the Chairmanship of a Non-Executive Director, Mr. Ravinder Nath, an advocate by profession.

**Meetings and Attendance** - One meeting of the SRC of Board of Directors took place during the year under review. For the year ended 31/03/2024, the attendance details of Committee Members at the Meeting held on 07<sup>th</sup> August, 2023 is as follows:

Name & Designation of Director in the Committee	Category	No. of meetings attended
Mr. Ravinder Nath, Chairman	Non-Executive & Non-Independent Director	1
Dr. Deepti Gupta, Member	Non-Executive & Independent Woman Director	1
Mr. R. Krishna Kumar, Member	Managing Director	1

Mr. C.S. Gugliani, Company Secretary, is the Compliance Officer.

Details of Investor Complaints received & disposed-off during the year are as follows:

Particulars	Related to Share Transfers	Other Complaints
Number of complaints pending as on 01/04/2023	0	0
Number of complaints received during the period from 01/04/2023 to 31/03/2024	0	0
Number of complaints disposed-off during the period from 01/04/2023 to 31/03/2024	0	0
Number of complaints pending as on 31/03/2024	0	0

### C. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

**Terms of Reference** - The CSR Committee has been entrusted with responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013; recommending to the Board the amount of expenditure to be incurred; monitoring the implementation of framework of CSR Policy and ensuring that implementation of the project and programmes are in compliance with the CSR Policy of the Company.

**Composition** - In accordance with the provisions of Section 135 of Companies Act, 2013 read with Rule 5 of Companies (CSR Policy) Rules, 2014, as at 31<sup>st</sup> March, 2024 the CSR Committee comprised of four Directors, three of whom are Non-Executive Directors. Mr. Benno Edmund Morlock, Chairman of the Board is also the Chairman of the CSR Committee.

**Meetings and Attendance** - Two meetings of the CSR Committee of the Board of Directors took place during the year under review. The attendance details of the Members at the Committee Meetings held on 07<sup>th</sup> August, 2023 and 02<sup>nd</sup> February, 2024 during the year under review is as follows:

Name & Designation of the Director in the Committee	Category	No. of meetings attended
Mr. Benno Edmund Morlock, Chairman	Non-Executive & Non-Independent Director	1
Mr. Ravinder Nath, Member	Non-Executive & Non-Independent Director	1
Mr. Surinder Kumar Nagpal, Member	Non-Executive & Independent Director	1
Mr. R. Krishna Kumar, Member	Managing Director	2

### D. NOMINATION AND REMUNERATION COMMITTEE (NRC)

**Terms of Reference** - Salient Features of Nomination and Remuneration Committee (NRC) includes, recommending to the Board about appointment and removal of the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs); carry out evaluation of every Director's performance and recommend to the Board a policy pertaining to remuneration for Director(s), KMPs, SMPs and other employees.

**Composition** - In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of Listing Regulations, 2015, as at 31<sup>st</sup> March, 2024 the NRC comprised of three Non-Executive Directors, two of whom are Independent Directors. Mr. Surinder Kumar Nagpal, an Independent Director is the Chairman of the NRC.

**Meetings and Attendance** - One meeting of the NRC of the Board of Directors took place during the year under review. The attendance details of Members at the Committee Meeting held on 12<sup>th</sup> May, 2023 during the year under review, is as follows:

Name & Designation of the Director in the Committee	Category	No. of meeting attended
Mr. Surinder Kumar Nagpal, Chairman	Non-Executive & Independent Director	1
Mr. Benno Edmund Morlock, Member	Non-Executive & Non-Independent Director	0
Dr. Deepti Gupta, Member	Non-Executive & Independent Woman Director	1

### PERFORMANCE EVALUATION CRITERIA OF DIRECTORS

The NRC evaluates the performance of every Director on the basis of defined parameters as spelt out in the Remuneration Policy, and forwards its report along with recommendation, to the Board on annual basis. The criteria for appointment, removal and remuneration are as per the Remuneration Policy of the Company.

Following process is adopted for evaluation of performance of Directors, Committees and the Board:

The relevant Evaluation Forms are circulated and received from all Directors evaluating the performance of other Directors, Committees and Board as a whole.

The evaluation is made on the basis of duties & responsibilities, devotion of sufficient time and attention to their professional obligations, constructive participation in the Meetings of the Committees and the Board, etc.

Thereafter, the NRC submits its recommendation & suggestions for improvement, if any, in respect of any Director, Committee and the Board; as well as the results of evaluation are placed and discussed at the Board Meeting. Individual Directors are also provided necessary feedback by the Board, at least once in a year.

**Remuneration Policy** - Executive Directors including Managing Director (MD) and Whole Time Director (WTD) shall be paid remuneration comprising several components (including fixed as well as variable), as the case may be, decided and approved by the Board from time to time, on the recommendation of the NRC and also approved by the shareholders and the Central Government, if so required. Such remuneration will be determined according to the industry standards, experience, laws and regulations, prevailing market conditions and scale of Company's business relating to the position. The policy also contains the scope and criteria for evaluation of Independent Directors and the Board as a whole.

Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) shall be paid such remuneration as recommended by the NRC and approved by the Board from time to time. However, for all KMPs (except for the MD/WTD) and/or SMPs or other employees, the NRC/Board may also authorize the person in-charge of day-to-day affairs of the Company to decide their remuneration based on their qualification, experience, expertise and their performance.

Details of payment made to Non-Executive Directors – In order to retain seasoned professional on Board & to receive their valuable guidance, the Non-Executive Directors, resident in India, were paid the sitting fee for attending the meetings of the Board and/or its Committees at the rate of INR 70,000/- and INR 35,000/- respectively, per meeting.

Name of the Director	Sitting Fees (in INR) paid, during the year under review, for attending the meetings of:					Total Sitting Fees Paid (INR)
	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	
Mr. Ravinder Nath	210,000	-	-	35,000	35,000	280,000
Mr. Surinder Kumar Nagpal	210,000	105,000	35,000	-	35,000	385,000
Dr. Deepti Gupta	280,000	140,000	35,000	35,000	-	490,000
Ms. Pallavi Dinodia Gupta	280,000	140,000	-	-	-	420,000

#### PAYMENTS MADE TO THE MANAGING DIRECTOR (CEO FOR THE PURPOSE OF LISTING REQUIREMENT)

Following are the details of remuneration (including perquisites and retirement benefits) paid/payable to the Managing Director, Mr. R. Krishna Kumar, for the financial year ended on 31<sup>st</sup> March, 2024:

Particulars	Amount (in Million)
Basic	4.52
Performance Linked Reward	7.83
Allowances and perquisites	10.11
Contribution to Provident Fund	12% of Basic Salary
Contribution to Gratuity Fund	Through Group Gratuity Scheme with LIC of India
Contribution to Superannuation Fund	15% of Basic Salary

#### SENIOR MANAGEMENT

Senior Management shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer or Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and Chief Financial Officer. Particulars of Senior Management are:

Sl. No.	Name of Employee	Designation
1	Kalyan Dasgupta	VP/CFO
2	Praveen Batra	AVP
3	Rakesh Kumar Malani	DGM
4	C.S. Gugliani	Company Secretary

There were no changes in positions of Senior Management since the close of the previous financial year i.e. 31<sup>st</sup> March, 2024.

## GENERAL BODY MEETINGS

- Details of last three Annual General Meetings held:

Year (AGM)	Venue	Day & Date	Time
2023 (53 <sup>rd</sup> )	Voith Paper Fabrics India Limited 113/114-A, Sector-24, Faridabad - 121005, Haryana (through Video Conferencing)	Thursday 10/08/2023	3:30 p.m.
2022 (52 <sup>nd</sup> )	Voith Paper Fabrics India Limited 113/114-A, Sector-24, Faridabad - 121005, Haryana (through Video Conferencing)	Wednesday 17/08/2022	3:30 p.m.
2021 (51 <sup>st</sup> )	Voith Paper Fabrics India Limited 113/114-A, Sector-24, Faridabad - 121005, Haryana (through Video Conferencing)	Friday 17/09/2021	3:30 p.m.

- Special Resolutions:

The following Special Resolutions were passed at the last three Annual General Meetings:

Year (AGM)	Matter(s) for which Special Resolution was passed
2023 (53 <sup>rd</sup> )	Re-appointment of Independent Director
2022 (52 <sup>nd</sup> )	Approval of Material Related Party Transactions Appointment of Independent Director
2021 (51 <sup>st</sup> )	None

Special Resolutions Passed Through Postal Ballot:

There was no item during the year under review that was required to be passed through the process of Postal Ballot. Further, there is no special resolution proposed to be passed at the ensuing Annual General Meeting which is required to be approved by the shareholders through Postal Ballot.

Requirement of Postal Ballot shall be complied with, wherever applicable, as required by law.

## DISCLOSURES

- During the year ended 31<sup>st</sup> March, 2024, there has been no materially significant transaction entered by the Company with any party which is considered to have potential conflict with interest of the Company at large. The details of all related party transactions are placed and approved by the Audit Committee and Board of Directors on periodical basis.
- During the last three years there has been no instance of non-compliance and no penalties or strictures imposed on the Company by Stock Exchanges or the SEBI or any other statutory authorities on any matter related to capital market. However, a fine of Rs.11,800/- was levied by BSE for delay in disclosure of details of related party transactions for the half year period ended on 30<sup>th</sup> September, 2023 as per Regulation 23(9) of Listing Regulations, 2015.
- In accordance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations 2015, the Company has formulated a 'Vigil Mechanism/Whistle Blower Policy' available at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com), which provides an avenue to the Directors and employees of the Company to directly report, their genuine concerns including unethical behavior and violation of Code of Conduct, to the Chairman of the Audit Committee.  
No person has been denied access to the Chairman of the Audit Committee of the Board of Directors of the Company.
- The Company has complied with the mandatory requirements of Listing Regulations, 2015. Compliance status about the non-mandatory requirements of the Listing Regulations, 2015 are disclosed separately elsewhere.
- At present, Company does not have any subsidiary, therefore it has not formulated any Policy for determining 'material' subsidiary. Hence, there is also no requirement for disclosure of details of material subsidiaries, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.
- The Policy for dealing with Related Party Transactions can be accessed under 'Company Policies' link at the website of the Company [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).
- Commodity price risk and commodity hedging activities or foreign exchange risk and hedging activity: The Company does not deal in Commodities. However, risks pertaining to foreign exchange are hedged by the Company from time to time, on need basis.
- During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.
- A certificate from a Company Secretary in Practice, confirming that none of the Directors has been debarred / disqualified by the Board/Ministry of Corporate Affairs or any such statutory authority, from being appointed or continuing as Director on the Board of the Company, is forming part of this report.

- x. During the year, there were no instances where Board had not accepted any recommendation of any Committees of the Board which is mandatorily required.
- xi. Company has paid INR 3.831 million in aggregate (excluding applicable taxes), to statutory auditors and all entities in their network firms, for all services availed from them during the year.
- xii. There were no complaints filed and pending during the year under review in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- xiii. The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of Section (C) of Schedule V to the Listing Regulations.
- xiv. The Company has not adopted discretionary requirements as specified in Part E of Schedule II in terms of Regulation 27(1) of the Listing Regulations.
- xv. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- xvi. There were no agreements that are binding the entity as per Clause 5A of paragraph A of Part A of Schedule III of Listing Regulations.

#### DISCLOSURES OF ACCOUNTING TREATMENT

While preparation of Financial Statements, the applicable Accounting Standards, issued by The Institute of Chartered Accountants of India (ICAI), have been followed.

#### MEANS OF COMMUNICATION

- Intimation to Stock Exchange - Your Company believes that all the stakeholders should have access to adequate information about the Company. All information, which could have a material bearing on the share prices, is released at the earliest to the BSE in accordance with the requirements of Listing Regulations.
- Newspapers – The financial results and other communications of the Company were normally published in 'The Hindu Business Line/ Financial Express' and 'Rashtriya Sahara/Jansatta'.
- Website - The financial Results were also displayed on 'Financial Results' link on 'Investors Corner' page on the Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com) The Company also updates the website with other relevant information, as and when required.
- The Company did not make any official news release nor made any presentations to the institutional investors or analysts, during the year under review.

#### GENERAL SHAREHOLDER INFORMATION

##### ANNUAL GENERAL MEETING

Day & Date	Time	Venue
Friday, 9 <sup>th</sup> August, 2024	3:30 p.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), at the Registered Office of the Company (Deemed Venue) at: 113/114-A, Sector-24, Faridabad-121005 (Haryana)

Financial Calendar (From 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025)

Subject to any directive/instruction from the statutory authorities in this regard, tentative dates of releasing financial results for quarter ending:

- 30<sup>th</sup> June, 2024 - By 14<sup>th</sup> August, 2024
- 30<sup>th</sup> September, 2024 - By 14<sup>th</sup> November, 2024
- 31<sup>st</sup> December, 2024 - By 14<sup>th</sup> February, 2025
- 31<sup>st</sup> March, 2025 - By 30<sup>th</sup> May, 2025

#### BOOK CLOSURE AND DIVIDEND PAYMENT DATE:

Book Closure: From Saturday, 27<sup>th</sup> July, 2024 to Friday, 9<sup>th</sup> August, 2024 (both days inclusive).

Dividend Payment Date: Dividend would be credited in the account of shareholders whose ECS Mandate is available, within 30 days of declaration of dividend at Annual General Meeting. For members whose bank details are not updated and/or to whom the electronic payment of dividend could not be made successfully, necessary dividend warrants / demand drafts / cheques would NOT be sent in pursuance of instructions/clarifications from SEBI in this regard. Hence, shareholders are advised to kindly update their NECS Mandates with the Company/ RTA (for shares held in physical mode) or the Depository Participant (for shares held in demat mode) at the earliest.

Also, the amount of unpaid/unclaimed dividend for the year 2015-16, that became due to be transferred during the year under review, was transferred to the Investor Education and Protection Fund (IEPF) in accordance with the provisions of Section 124 of the Companies Act, 2013.

Further 52,383 shares (in respect of which dividends over the years have remained unclaimed/unpaid for seven consecutive years), were transferred and appearing in the name of Investor Education and Protection Fund (IEPF) as at 31<sup>st</sup> March, 2024, in accordance with the applicable provisions of the Companies Act, 2013, and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2017, as amended. Relevant details in this regard have also been made available on the website of the Company at 'Investor Relations' link on 'Investors Corner' page at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

### LISTING ON STOCK EXCHANGE

The Equity Shares of the Company are currently listed for trading under Group 'X' of the BSE Limited, Mumbai (BSE). Company confirms that it has paid the annual listing fees to BSE for the year 2024/25.

The Company also confirms that it has paid the annual custodial fees to the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for the year 2024/25.

### STOCK CODE

BSE Limited (BSE) : 522122

ISIN for NSDL/CDSL : INE285C01015

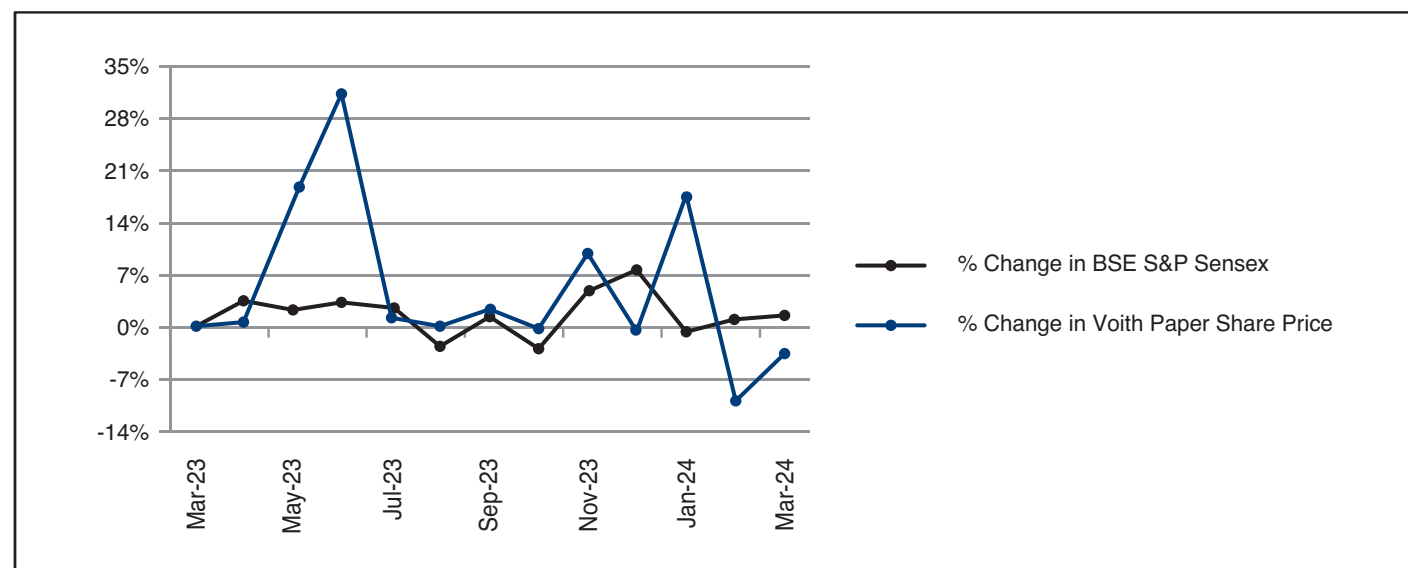
### MARKET PRICE INFORMATION

The monthly 'high' and 'low' closing prices (rounded off to the nearest rupee) of the shares traded during the period from April, 2023 to March, 2024 on BSE are given below:

Month	High (in Rs.)	Low (in Rs.)
April, 2023	1070	981
May, 2023	1298	1037
June, 2023	1689	1200
July, 2023	1666	1530
August, 2023	1777	1585
September, 2023	1825	1586
October, 2023	1761	1515
November, 2023	1887	1600
December, 2023	2025	1785
January, 2024	2300	1805
February, 2024	2240	1925
March, 2024	2033	1775

Source : BSE Website

### SHARE PRICE VIS-A-VIS SENSEX MOVEMENT



**REGISTRAR & TRANSFER AGENT (RTA)**

MCS Share Transfer Agent Limited  
F-65, First Floor, Okhla Industrial Area Phase - I,  
New Delhi - 110020 Phone: 011 - 41406149 to 51  
Fax: 011 - 41709881, E-mail: [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)

**SHARE TRANSFER SYSTEM**

Investors may kindly note that SEBI has mandated that in case of securities market transactions and off-market/private transactions, involving transfer of shares of a listed Company in physical mode, is not allowed w.e.f. 1<sup>st</sup> April, 2019.

MCS Share Transfer Agent Limited handles the investor services of the Company and also share transfer/transmission related work within the stipulated time prescribed under applicable laws, if the documents are found correct and valid in all respects.

As per the requirements of Regulation 40(9) of the Listing Regulations, Company has regularly obtained the necessary certificate from a Company Secretary in Practice and submitted the same to BSE on yearly basis, confirming due compliance of share transfer related activities by the Company.

As per the requirement of SEBI guidelines, the Company's shares are to be traded only in dematerialized form.

**INFORMATION ON SHAREHOLDING**

A. Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2024:

Category code	Category of Shareholder/Member	Total No. of Members	Total No. of shares	No. of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a % of (a+b)	As a % of (a+b+c)
(a)	Shareholding of Promoter and Promoter group					
	(1) Indian	Nil	Nil	Nil	N.A.	N.A.
	Sub Total (a)(1)	Nil	Nil	Nil	N.A.	N.A.
	(2) Foreign					
	Bodies Corporate	1	3,252,418	3,252,418	74.04	74.04
	Sub Total (a)(2)	1	3,252,418	3,252,418	74.04	74.04
	Total Shareholding of Promoter & Promoters Group (a)=(a)(1)+(a)(2)	1	3,252,418	3,252,418	74.04	74.04
(b)	Public shareholding					
	(1) Institutions					
	Mutual Funds/ UTI	Nil	Nil	Nil	Nil	Nil
	Financial Institutions / Banks	2	576	352	0.01	0.01
	Insurance Companies	2	9,616	9,541	0.22	0.22
	NBFC registered with RBI	1	448	448	0.01	0.01
	Foreign bank	1	50	0	0.00	0.00
	Sub Total (b)(1)	6	10,690	10,341	0.24	0.24
	(2) Non institutions					
	a) Bodies Corporate	70	82,666	82,666	1.88	1.88
	b) Individuals					
	i. Individual shareholders holding nominal share capital up to Rs.2 Lakh	4,468	757,216	709,246	17.24	17.24
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	4	137,800	137,800	3.14	3.14
	iii. IEPF Authority	1	52,383	52,383	1.19	1.19

Category code	Category of Shareholder/Member	Total No. of Members	Total No. of shares	No. of Shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a % of (a+b)	As a % of (a+b+c)
	c) NRIs					
	i) with Repat	47	11,353	11,129	0.26	0.26
	ii) without Repat	53	12,600	10,310	0.29	0.29
	d) Any Other (Specify)					
	i) Unclaimed Suspense Account	1	50	50	0.00	0.00
	ii) HUF	173	73,193	73,193	1.67	1.67
	iii) Clearing Member	5	2,190	2,190	0.05	0.05
	Sub-Total (b)(2)	4,822	1,129,451	1,078,967	25.72	25.72
	Total Public shareholding (b)=(b)(1)+(b)(2)	4,828	1,140,141	1,089,308	25.96	25.96
	TOTAL (a)+(b)	4,829	4,392,559	4,341,726	100	100
(c)	Shares held by Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL	NIL
	Grand Total (a+b+c)	4,829	4,392,559	4,341,726	100	100

B. Shareholders with more than one percent holding as on 31<sup>st</sup> March, 2024:

Sl. No.	Name of the Shareholder	No. of shares held	% of shares held
1.	VP Auslandsbeteiligungen GmbH	3,252,418	74.04
2.	Om Prakash Rawat	60,000	1.37

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

No. of Shares held (Range)	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Shares
1 - 500	4,471	92.59	312,085	7.10
501 - 1000	175	3.62	126,047	2.87
1001 - 2000	98	2.03	139,527	3.18
2001 - 3000	29	0.60	72,861	1.66
3001 - 4000	14	0.29	48,508	1.10
4001 - 5000	10	0.21	43,473	0.99
5001 - 10000	20	0.41	131,165	2.99
10001 and above	12	0.25	3,518,893	80.11
Total	4,829	100.00	4,392,559	100.00

## DEMATERIALIZATION OF SHARES

The Company's shares are available for trading in the depository systems of both the NSDL and the CDSL. 3,252,418 equity shares owned by the Holding Company are held in dematerialized mode.

Out of remaining 1,140,141 equity shares; 1,089,308 equity shares of the Company forming 95.54% of the total public shareholding, stand dematerialized as on 31<sup>st</sup> March, 2024.

## LIQUIDITY OF SHARES

The Equity shares of the Company have been included in the 'X' Group of the BSE Limited, Mumbai (BSE).

## OUTSTANDING ADR'S / GDR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

Till date your Company has not issued any ADR/GDR/Warrant or any other Convertible Instruments.

## PLANT LOCATION

113/114-A, Sector-24, Faridabad - 121005 (Haryana). Delhi NCR, India.

## ADDRESS FOR CORRESPONDENCE

The Company Secretary,

Voith Paper Fabrics India Limited

113/114-A, Sector-24, Faridabad - 121005 (Haryana), Delhi NCR, India. Phone: 0129 – 4292200; Fax: 0129 – 2232072

E-mail: [investorcare.vffa@voith.com](mailto:investorcare.vffa@voith.com) (dedicated email ID for investors as per Regulation 13 of Listing Regulations)

## PARTICULARS OF UNCLAIMED/UNDELIVERED SHARES

The shareholders may kindly take note that as per Regulation 39 read with Schedule VI of the Listing Regulations the Company has consolidated and transferred the unclaimed/undelivered shares lying with the Company, in one folio in dematerialized mode. It may kindly be noted that the voting rights on such shares shall remain frozen till the shares are reclaimed by the rightful owners. The details of such unclaimed / undelivered shares are as follows:

Sl. No.	Particulars	No. of cases	No. of Shares
1	Status as on 01/04/2023	1	50
2	Total request received during the year, from shareholders for dispatch of shares to them	-	-
3	Shares dispatched in pursuance of valid requests received from shareholders	-	-
4	Undelivered / unclaimed shares lying with the Company as on 31/03/2024	1	50

## RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In accordance with the requirements for a listed Company, as stipulated by SEBI, a 'Reconciliation of Share Capital Audit' is conducted on a Quarterly basis by a firm of Company Secretaries, for the purpose of, inter-alia, reconciliation and confirmation of the total admitted equity share capital with the depositories and in the physical form, with the total issued / paid-up equity share capital of the Company as listed on the BSE.

Certificates issued in this regard are placed before the Board of Directors and forwarded to the BSE, where the equity shares of the Company are listed.

## CEO & CFO CERTIFICATION

The Board confirms that CEO & CFO certificate relating to the financial statements has been placed before it regularly.

## CODE OF CONDUCT

The Company has formulated a Code of Conduct for its Board of Directors and members of Senior Management. The Code of Conduct is available on the website of the Company.

## DISCLOSURE OF LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The Company has not granted any loans or advances to firms/companies in which Directors are interested.

## DECLARATION BY THE MANAGING DIRECTOR

It is hereby declared that in terms of Regulations 17(5) and 34 read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct for the Board of Directors and the Senior Management Team of the Company is available for reference of public at large, on the website of the Company [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

Further, the Company has also obtained affirmation from each individual member of the Board of Directors and the Senior Management Team confirming compliance with the conditions of the said Code of Conduct.

For Voith Paper Fabrics India Limited

-- sd--  
R. Krishna Kumar  
Managing Director  
DIN: 05344619

## STATUS OF ADOPTION OF NON-MANDATORY/DISCRETIONARY REQUIREMENTS

1. The Board - The Corporate Office of the Company does not bear the expenses of the office of the Chairman, as he is stationed outside India.
2. Shareholders Rights - The quarterly financial results and other material information, if any, are published in an English newspaper having nation-wide circulation and a local language newspaper. The results are also displayed on the website of the Company besides being available for public viewing through the website of BSE. Therefore, the half yearly results including summary of the significant events are not separately sent to the shareholders.

3. Audit Qualifications - The Company does not have any qualifications from the Auditors in its Financial Statements as on 31<sup>st</sup> March, 2024.
4. Chairman & CEO - The positions of Chairman and CEO are held by two different individuals.
5. Reporting by the Internal Auditor - The Audit Committee and the Board were duly briefed about the Internal Audit Report submitted by the Internal Auditor.

## COMPLIANCE CERTIFICATE

The Company has obtained a certificate from a Company Secretary in Practice regarding compliance of conditions of Corporate Governance as stipulated in Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the same is reproduced below:

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**  
(Under Regulation 34 read with Schedule V of the  
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To  
The Members of  
**Voith Paper Fabrics India Limited**  
113/114-A, Sector-24  
Faridabad - 121005 (Haryana)

We have examined the compliance of the conditions of Corporate Governance by **VOITH PAPER FABRICS INDIA LIMITED** ('the Company') (CIN: L74899HR1968PLC004895) for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanation provided to us, it is hereby certified and confirmed:

- That the conditions of Corporate Governance as stipulated in the Listing Regulations, 2015 with the Stock Exchange have been complied with in all material respect by the Company; and
- That 'No' investor grievance is pending for a period exceeding one month as per the records maintained by the Company.

For P.C. Jain & Co.,  
Company Secretaries,  
(FRN: P2016HR051300)

(P.C. Jain)  
Managing Partner  
CP No.: 3349  
M. No.: F4103

Date: 28.05.2024  
Place: Faridabad  
UDIN: F004103F000464191

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
**VOITH PAPER FABRICS INDIA LIMITED**  
(CIN: L74899HR1968PLC004895)  
113/114-A, Sector-24  
Faridabad - 121005 (Haryana)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Voith Paper Fabrics India Limited** (CIN: L74899HR1968PLC004895) and having registered office at **113/114-A, Sector-24 Faridabad - 121005 (Haryana)** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

S. No.	Name of Directors	DIN	Date of Appointment of Director
1.	Mr. Benno Edmund Morlock	08276536	10/11/2018
2.	Mr. Ravinder Nath	00062186	24/10/1998
3.	Mr. Surinder Kumar Nagpal	01171148	27/01/2010
4.	Dr. Deepti Gupta	08481203	30/07/2020
5.	Ms. Pallavi Dinodia Gupta	06566637	29/05/2022
6.	Mr. Krishna Kumar Rajamohannair	05344619	01/08/2014

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

For P.C. Jain & Co.,  
Company Secretaries,  
(FRN: P2016HR051300)

(P.C. Jain)  
Managing Partner  
CP No.: 3349  
M. No.: F4103

Date: 28.05.2024  
Place: Faridabad  
UDIN: F004103F000464178

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENTS

Indian paper industry remains largely a fragmented sector. It consists of small, medium and large paper mills, having production ranging from 5 to 2000 tons per day. Yet, India's Paper Industry accounts for about 5% of the world's production of paper. The estimated turnover of the industry is over INR 80,000 crore and its contribution to the exchequer is around INR 5,000 crore. The industry provides direct employment to 500,000 persons, and indirectly to around 1.5 million.

Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recovered fibre, bagasse, wheat straw, etc. The geographical spread of the industry, as well as market, is mainly responsible for the regional balance of production and consumption.

Over the last few years, packaging industry has been an important sector driving technology and innovation growth in the country and adding value to the various manufacturing sectors including agriculture and FMCG segments. Packaging is considered to be the 5<sup>th</sup> largest sector of Indian economy and is one of the high growth industries in India.

India's Paper and Packaging industries show large potential. Demand for paper is growing mainly due to an increase in demand for packaged products. In current scenario, leading FMCG companies have started adopting paper-based packaging solutions to meet sustainable goals in terms of reducing the dependence on plastic and by way of promoting recyclability.

Sustainability is at the core of India's paper industry because paper is treated as one of the most environmentally sustainable products. It is biodegradable, recyclable and produced from the sources which are renewable and sustainable. With an emphasis on sustainability, teamwork and good governance, Voith is now poised to carry its legacy forward as a future-ready enterprise.

With the rising ability to read and write, education and development, the demand for paper has significantly increased in India. The impressive growth witnessed by paper industry is also contributed by the education sector. By offering affordable paper products, the industry enhances accessibility to books and learning for students. Therefore, it can be said that both the paper industry and education sector are inter-dependent and inter-linked.

The paper industry has the potential to provide environment friendly solutions in lieu of single-use plastic. The clean India mission is not possible without the paper industry. The government has been sincerely working to ban single use plastics and there is no other viable alternative than paper.

Indian paper and newsprint industry has a huge potential and prospects in coming future. There are vast demands in the areas of tea bags, filter paper, tissue paper, medical grade coated paper etc.

### OUR STRENGTHS

The continuous effort of the Company towards cost reduction and technology upgradation has led to increased production efficiency, improved quality of products, enhanced product range and also helps in achieving economies of scale. The Company manufactures entire range of Paper Machine Clothing (Industrial Felts) for customers.

The Company's products enjoy very good standing in the market due to constant enhancement in quality and efficient after sales services provided by a dedicated and experienced technical support team. Also, the Company belongs to the Voith Group of Germany and gets full support of the Group in carrying out its operations. The Company also provides customized solutions to the problems of its customers, making it their preferred partner.

### OUR WEAKNESSES

Paper industry in India faces some problems as well, which may restrict its future growth prospects. One of the serious problems for this industry is scarcity of raw materials. Due to absence of organized plantation in degraded forests, the industry is deprived of reliable local raw material resources. This leads to high reliance on imported raw materials and thereby increased cost of production. Besides this, the industry also remains subjected to policies of state/central governments as well.

There is a need for industrial plantation policies which will allow the growing of paper industry specific species on a large scale, thereby reducing its cost which will, in turn, lower the cost of production of paper.

### THE OPPORTUNITIES

Moving away from single-use plastics is a huge opportunity for the pulp and paper industry. Currently, around 40% of all packaging is plastic based and around 30% is paper or fiber based. This is likely to change in favor of the paper industry in coming future. The packaging industry in India is growing rapidly due to increased consumerism, e-commerce growth and organized retail. Packaging paper is a vital component for various packaging solutions, contributing to the enhanced demand for paper products.

The Indian pulp & paper market is one of the fastest growing in the world. The demand for paper products including packaging, writing and printing paper and specialty paper has been steadily increasing. The paper industry has been actively promoting recycling initiatives. The use of recycled paper helps in conserving natural resources and reducing adverse impact on environment.

In the last few years, pulp and paper industry around the world has been trying to become environment friendly. There are several mills globally and in India, which have invested their time and money in developing new technologies and adopting environment friendly manufacturing practices. Use of alternate raw materials has been the biggest shift in this direction. Today high quality paper is being manufactured using raw material other than wood, which would certainly have a positive impact on the environment.

Rising income has boosted consumer spending, with more people buying products with high quality packaging solutions. The Indian paper industry has tapped into this opportunity by capitalizing on the growing demand for high quality paperboard and packaging paper.

## THE THREATS

The paper industry is highly capital intensive, requiring significant investments in equipment, infrastructure, and raw materials. As a result, the cost of production can be a major factor in the profitability and sustainability of the industry. The industry also uses massive amount of water and energy - especially electricity - to run its machines, these again pose a major threat to the industry.

The widespread adoption of digital media and paperless reading, has affected the demand for printing & writing paper as well as newsprint. In the context of the internet economy age, with the rapid transformation of the traditional media industry into new media, the product structure of the paper industry may face some sort of pressure for adjustment. However, we are committed to face the challenges that we may come across and expect to overcome them with success.

## SEGMENT WISE REPORTING

As per Ind AS 108, the operating segment of the Company is identified to be as "manufacturing and selling of paper machine clothing", as the 'Chief Operating Decision Maker' ("CODM") reviews business performance at an overall Company level as one segment. Hence, there is no separate reportable segment.

## OUTLOOK

Paper industry plays a vital role in the economic growth of a country through revenue generations and earnings. The growth in paper industry is being driven by a surge in e-commerce, food processing, FMCG, healthcare etc. The significant upsurge is fuelled by a growing demand for paper-based products, evolving consumer preferences, and increasing emphasis on sustainable packaging solutions. The Indian paper and paperboard industry has the potential and the capabilities to service the demand in domestic and international market; and also to create employment opportunities in rural India through agro production and forestry.

Food producers, especially prominent FMCG brands, have set ambitious targets to reduce the use of plastics in food packaging and adopt new eco-friendly materials to retain the nutrient content and maintain the quality of the food contents. As sustainability grows, consumers are increasingly looking for 'green' products. For instance, Air India and the Indian Railways are replacing plastic packaging with eco-friendly paper and planning to use wooden cutlery to take a step toward sustainability. Many brands are basing their packaging choices on the environmental implications that accompany them by shifting away from single-use packaging and toward using compostable, recyclable, and reusable materials. In view of these developments, the Indian paper and paperboard packaging market is expected to grow significantly in coming years.

## RISKS & CONCERNS

Risks are inherent to businesses and the paper industry is no exception. Besides being labour intensive and capital intensive, the industry remains exposed to other factors such as, changes in government policies, environmental policies, duties and taxes, technological obsolescence, other external economic and geo-political factors.

The Company has a Management Team that periodically assesses the potential risks to the Company and the ways to mitigate or minimize the same.

## INTERNAL CONTROL SYSTEMS & ADEQUACY

The Company has adequate internal control systems commensurate with the nature and size of its operations. All operating parameters are monitored and controlled periodically. The Audit Committee of its Board of Directors, comprising of Independent Directors, also reviews the systems at regular intervals. Moreover, the Company has appointed M/s Lodha & Co., Chartered Accountants, as its internal auditors and they periodically test the efficacy of the internal control systems.

Also, the statutory auditors, M/s B S R & Co. LLP, Chartered Accountants, have evaluated and given their opinion on the Internal Financial Control, as per the provisions of the Companies Act, 2013.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, the Company had been able to enhance its sales & profits due to its operational efficiency brought about through better utilisation of available resources and proper execution of business strategies. The Company continued the implementation of 'Operational Excellence (OPEX) Programme' which also contributes to the bottom line.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

Your Company views its human capital as a key source of competitive advantage. A blend of youth and well experienced mentors has helped to form a multi-talented team having potential to seize any opportunity that may come its way. The industrial relations in the Company continue to remain healthy, cordial and harmonious.

There were 136 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2024.

## SIGNIFICANT CHANGES (25% OR MORE) IN KEY FINANCIAL RATIOS AND CHANGE IN RETURN ON NET WORTH

In all specified key financial ratios, the change over previous year is less than 25% and not significant.

Further, as compared to previous year (10.07%), the change in 'Return on Net Worth' in the current year (10.42%) amounts to 3.48% increase. This is primarily due to enhanced profits for the year under review.

## CERTIFICATIONS

The Company is conscious of protecting the environment and has initiated various eco-friendly practices including rainwater-harvesting system. It is our continuous effort to keep the premises and surroundings clean and green. The Company is continuing with the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications by TUV having validity until 2027.

## CAUTIONARY STATEMENT

*Statements in the foregoing paragraphs of this report describing the current industry structure, outlook, opportunities etc. reflect the estimation and opinion of the Company. The same are based on certain assumptions and expectations of future events. The actual results may substantially diverge from the same as they depend upon the global political, economic and social situation. Further, change in Government regulations, environmental laws, tax structure, cyclical demand, demand & supply conditions, cost of raw materials & their availability and other related factors such as litigation, Industrial relations and other unforeseen events can also have a bearing on the above statements. The Company assumes no responsibility in respect of forward looking statement made herein which may undergo changes in future on the basis of subsequent developments, information or events.*

INDEPENDENT AUDITOR'S REPORT

To the Members of Voith Paper Fabrics India Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matter

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

Revenue Recognition

See Note 2(j) and 23 to financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered with respective customers.</p> <p>We have identified recognition of revenue as a key audit matter as:</p> <ul style="list-style-type: none"><li>revenue is a key performance indicator; and</li><li>there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations</li></ul>	<p>Our audit procedures includes the following -</p> <ul style="list-style-type: none"><li>Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;</li><li>Tested the design and operating effectiveness of key internal controls over revenue recognition;</li><li>Performed substantive procedures including testing of recognition of revenue in the appropriate period by selecting samples of revenue transactions recorded during and at the end of the financial year.</li><li>Examined the underlying documents such as sales invoices/ contracts and dispatch/ shipping documents (as applicable) for the selected transactions.</li><li>Tested manual journals posted in revenue ledger to identify any unusual items.</li></ul>

Other Information

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

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

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

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books except:
  - i. that the back-up was not maintained on the servers physically located in India in respect of books of account and other relevant books and papers maintained using an accounting software for the period 1 April 2023 to 4 December 2023 and in respect of audit trail for books of account maintained using an accounting software for the period from 1 April 2023 to 7 March 2024 and;
  - ii. for the matters stated in the paragraph (B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

Further, as represented by the management, back-up of books of account and other relevant books and papers maintained using an accounting software and the back-up of the audit trail for books of account maintained using an accounting software was maintained on the servers physically located outside India for the above period.

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 1 April 2024 and 10 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 40 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d.
  - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 (vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48 (vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 38(b) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software used for maintaining the books of account (a) relating to property, plant and equipment balances and assets master for the period 1 April 2023 to 25 February 2024 and (b) relating to goods entry register for the period 1 April 2023 to 19 November 2023.

Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

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

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

**For B S R & Co. LLP**  
**Chartered Accountants**

Firm's Registration No.: 101248W/W-100022

**Ankush Goel**  
**Partner**

Membership No.: 505121  
ICAI UDIN: 24505121BKGXDI2421

Place : New Delhi  
Date : 28 May 2024

## Annexure A to the Independent Auditor's Report on the Financial Statements of Voith Paper Fabrics India Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments and Right to Use Asset.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, all property, plant and equipment were verified during the previous year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value as at 31 March 2024 (Rs. in Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land, Faridabad	1.81	Porritts & Spencer (Asia) Limited	Not Applicable	Since March 1970	Name of the Company changed from "Porritts & Spencer (Asia) Limited" to "Voith Paper Fabrics India Limited" There are no disputes

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the previous year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the previous year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it or services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the previous year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Paid under protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12.28*	-	AY 2021-22	Dispute Resolution Panel

\* The amount excludes interest and penalty

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the previous year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the previous year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the previous year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the previous year ended 31 March 2024. Accordingly, clause 3(ix)(e) and 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the previous year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the previous year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the previous year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our

reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In our opinion and according to the information and explanation given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects for financial year 2023-24. However, for the financial year 2021-22, the Company did not transfer to a Fund specified in schedule VII to the Act within a period of six months of the expiry of the said financial year in compliance with second proviso to sub-section (5) of Section 135 of the Act which is mentioned below:

Financial Year	Amount unspent on corporate social responsibility activities "other than ongoing projects" (Rs. In millions)	Amount transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount transferred after the due date (specify the date of deposit)
(a)	(b)	(c)	(d)
2021-22	2.11*	-	-

\*During the year ended 31 March 2022, the Company had contributed Rs. 6.89 million towards CSR to various parties. Out of this Rs. 2.11 million remain unutilized as at 31 March 2022 by other parties and was subsequently utilized during the year ended 31 March 2023.

- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

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

**Ankush Goel**  
**Partner**  
 Membership No.: 505121  
 ICAI UDIN: 24505121BKGXDI2421

Place : New Delhi  
 Date : 28 May 2024

## Annexure B to the Independent Auditor's Report on the financial statements of Voith Paper Fabrics India Limited for the year ended 31 March 2024

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

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

### Opinion

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

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

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10)

of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

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

**Ankush Goel**  
**Partner**  
Membership No.: 505121  
ICAI UDIN: 24505121BKGXDI2421

Place : New Delhi  
Date : 28 May 2024

**BALANCE SHEET AS AT 31 MARCH 2024***(All amounts are in Rs. Million, unless otherwise stated)*

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,083.81	793.73
Capital work-in-progress	3	32.26	35.92
Right of use asset	4	2.25	-
Financial assets			
i. Other financial assets	5	7.75	7.04
Other tax assets (net)	6	27.57	27.57
Other non-current assets	7	30.95	108.74
<b>Total non-current assets</b>		<b>1,184.59</b>	<b>973.00</b>
<b>Current assets</b>			
Inventories	8	347.65	321.04
Financial assets			
i. Trade receivables	9	252.59	241.43
ii. Cash and cash equivalents	10	156.59	130.14
iii. Bank balances other than (ii) above	11	1,605.90	1,806.67
iv. Other financial assets	12	290.26	0.83
<b>Other current assets</b>	13	<b>57.84</b>	<b>27.81</b>
<b>Total current assets</b>		<b>2,710.83</b>	<b>2,527.92</b>
<b>Total assets</b>		<b>3,895.42</b>	<b>3,500.92</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	43.93	43.93
Other equity	15	3,440.02	3,109.06
<b>Total equity</b>		<b>3,483.95</b>	<b>3,152.99</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Lease Liabilities	4	1.71	-
ii. Other financial liabilities	19	1.35	1.28
Provisions	16	45.08	39.12
Deferred tax liabilities (net)	17	13.49	10.59
<b>Total non-current liabilities</b>		<b>61.63</b>	<b>50.99</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Lease Liabilities	4	0.61	-
ii. Trade payable:	18		
- total outstanding dues of micro enterprises and small enterprises; and		8.43	4.65
- total outstanding dues of creditors other than micro enterprises and small enterprises		172.58	197.72
iii. Other financial liabilities	19	110.74	38.92
Other current liabilities	20	27.07	32.24
Provisions	21	27.25	23.41
Income tax liabilities (Net)	22	3.16	-
<b>Total current liabilities</b>		<b>349.84</b>	<b>296.94</b>
<b>Total liabilities</b>		<b>411.47</b>	<b>347.93</b>
<b>Total equity and liabilities</b>		<b>3,895.42</b>	<b>3,500.92</b>
Material accounting policies	2		
Notes to the financial statements	3-48		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

**For B S R & Co. LLP**

ICAI Firm Registration Number: 101248W/W-100022

**Chartered Accountants**

Ankush Goel

**Partner**

Membership No. 505121

**For and on behalf of the Board of Directors of  
Voith Paper Fabrics India Limited**

S.K.Nagpal

**Director**

DIN : 01171148

Deepti Gupta

**Director**

DIN : 08481203

Pallavi D. Gupta

**Director**

DIN : 06566637

R. Krishna Kumar

**Managing Director**

DIN : 05344619

Kalyan Dasgupta

**Finance Controller**

CMA No. : 25152

C.S. Gugliani

**Company Secretary**

FCS No. : 4301

Place : New Delhi

Dated : 28 May 2024

Place : New Delhi

Dated : 28 May 2024

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31 MARCH 2024

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from operations</b>	<b>23</b>	<b>1,796.17</b>	1,643.69
Other income	24	146.74	111.61
<b>Total income</b>		<b>1,942.91</b>	1,755.30
<b>Expenses</b>			
Cost of materials consumed	25	400.93	389.61
Purchase of stock-in-trade	26	212.21	177.32
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	2.31	(23.03)
Employee benefits expense	28	224.74	191.36
Depreciation expense	29	109.72	95.18
Finance cost	30	0.23	-
Other expenses	31	504.82	496.84
<b>Total expenses</b>		<b>1,454.96</b>	1,327.28
<b>Profit before tax</b>		<b>487.95</b>	428.02
Tax expense			
- Current tax	33	121.70	109.38
- Deferred tax charge	33	3.31	1.06
<b>Total tax expense</b>		<b>125.01</b>	110.44
<b>Profit for the year</b>		<b>362.94</b>	317.58
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations		(1.64)	(1.02)
Income tax related to above		0.41	0.26
Other comprehensive income for the year (net of tax)		(1.23)	(0.76)
<b>Total comprehensive income for the year</b>		<b>361.71</b>	316.82
Earnings per equity share of Rs. 10 each			
Basic (Rs.)	45	82.67	72.34
Diluted (Rs.)		82.67	72.34
Material accounting policies	2		
Notes to the financial statements	3-48		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

**For B S R & Co. LLP**

ICAI Firm Registration Number: 101248W/W-100022

**Chartered Accountants**

Ankush Goel

**Partner**

Membership No. 505121

**For and on behalf of the Board of Directors of  
Voith Paper Fabrics India Limited**

S.K.Nagpal

**Director**

DIN : 01171148

Deepti Gupta

**Director**

DIN : 08481203

Pallavi D. Gupta

**Director**

DIN : 06566637

Place : New Delhi

Dated : 28 May 2024

R. Krishna Kumar

**Managing Director**

DIN : 05344619

Kalyan Dasgupta

**Finance Controller**

CMA No. : 25152

C.S. Gugliani

**Company Secretary**

FCS No. : 4301

Place : New Delhi

Dated : 28 May 2024

## CASH FLOW STATEMENT FOR THE YEAR ENDING 31 MARCH 2024

(All amounts are in Rs. Million, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Profit before tax	487.95	428.02
Adjustments :		
Depreciation expense	109.72	95.18
Loss on disposal of property, plant and equipment (net)	-	0.05
Unwinding of discount on security deposits	0.07	0.07
Allowances for doubtful debts charged (net) (including effect of expected loss allowance)	0.12	1.95
Allowances for doubtful deposits charged / (written back) (net)	-	0.34
Bad debts written off	0.62	0.17
Lease expenses	0.23	-
Unrealised foreign exchange gain (net)	(0.60)	(0.50)
Mark to market (gain)/ loss on foreign exchange forward contracts (net)	0.16	(0.73)
Interest income on bank deposits	(133.30)	(96.85)
Interest income others	-	(0.35)
<b>Operating cash flow before working capital changes</b>	464.97	427.35
<b>Movements in working capital :</b>		
Increase in trade receivables	(12.13)	(24.12)
Increase in other financial assets	(0.16)	(2.14)
Increase in other assets	(30.00)	(2.82)
Increase in inventories	(26.61)	(72.91)
(Decrease)/increase in trade payables	(20.94)	42.72
Increase in other financial liabilities	3.00	0.48
(Decrease) / increase in other liabilities	(5.17)	0.40
Increase in provisions	8.16	2.10
<b>Cash flow from operations</b>	381.12	371.06
Income tax paid (net of refund)	(118.54)	(109.28)
<b>Cash flow from operating activities (a)</b>	262.58	261.78
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment (including capital work-in- progress)	(258.24)	(204.42)
Proceeds from sale of property, plant & equipment	9.56	0.17
Interest received	123.94	75.61
Net Investment in bank deposits*	(79.85)	(88.10)
<b>Cash flow (Used in) investing activities (b)</b>	(204.59)	(216.74)
<b>Cash flows from financing activities</b>		
Dividend paid	(30.90)	(26.56)
Interest paid on lease liability	(0.23)	-
Payment of lease liability	(0.41)	-
<b>Cash flow (Used in) financing activities (c)</b>	(31.54)	(26.56)

## CASH FLOW STATEMENT FOR THE YEAR ENDING 31 MARCH 2024

(All amounts are in Rs. Million, unless otherwise stated)

Net increase in cash and cash equivalents (a+b+c)	26.45	18.48
Add : Cash and cash equivalents at the beginning of the year	130.14	111.66
<b>Cash and cash equivalents at the end of the year</b>	<b>156.59</b>	<b>130.14</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
- On current accounts/ EEFC accounts	68.47	47.05
- On deposit accounts with original maturity upto three months	88.12	83.09
Cash and cash equivalents in Cash Flow Statement	156.59	130.14

The statement of cash flows has been prepared in accordance with the 'Indirect method' as set out in the Ind AS 7 on "Statement of Cash flows".

\*Net of proceeds from investments amounting to Rs. 1,750.15 millions (31 March 2023: Rs. 1,661.90 millions)

### Material accounting policies

2

Notes to the financial statements

3-48

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For B S R & Co. LLP**

ICAI Firm Registration Number: 101248W/W-100022

**Chartered Accountants**

Ankush Goel

**Partner**

Membership No. 505121

Place : New Delhi

Dated : 28 May 2024

For and on behalf of the Board of Directors of  
Voith Paper Fabrics India Limited

S.K.Nagpal

**Director**

DIN : 01171148

Deepti Gupta

**Director**

DIN : 08481203

Pallavi D. Gupta

**Director**

DIN : 06566637

Place : New Delhi

Dated : 28 May 2024

R. Krishna Kumar

**Managing Director**

DIN : 05344619

Kalyan Dasgupta

**Finance Controller**

CMA No. : 25152

C.S. Gugliani

**Company Secretary**

FCS No. : 4301

## Statement of Changes in equity for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### A Equity share capital

#### Particulars

#### Equity share capital

Balance as at 1 April 2022

Changes in equity share capital during 2022-23

Balance as at 31 March 2023

Changes in equity share capital during 2023-24

Balance as at 31 March 2024

	Numbers	Amount
Balance as at 1 April 2022	4.39	43.93
Changes in equity share capital during 2022-23	-	-
Balance as at 31 March 2023	4.39	43.93
Changes in equity share capital during 2023-24	-	-
Balance as at 31 March 2024	4.39	43.93

### B (i) Other equity

Particulars	General reserve	Retained earnings	Remeasurement of defined benefit obligation/ (assets)	Total
Balance as at 1 April 2022	577.53	2,240.35	0.72	2,818.60
Total comprehensive income for the year ended 31 March 2023:				
Profit for the year	-	317.58	-	317.58
Other comprehensive income for the year (net of tax)	-	-	(0.76)	(0.76)
Total comprehensive income	-	317.58	(0.76)	316.82
Transactions with owners of company:				
Dividend	-	(26.36)	-	(26.36)
Balance as at 31 March 2023	577.53	2,531.57	(0.04)	3,109.06
Total comprehensive income for the year ended 31 March 2024:				
Profit for the year	-	362.94	-	362.94
Other comprehensive income for the year (net of tax)	-	-	(1.23)	(1.23)
Total comprehensive income	-	362.94	(1.23)	361.71
Transactions with owners of company:				
Dividend	-	(30.75)	-	(30.75)
Total distribution	-	(30.75)	-	(30.75)
Balance as at 31 March 2024	577.53	2,863.76	(1.27)	3,440.02

Refer note 14 for nature and purpose of other equity.

Material accounting policies

Notes to the financial statements

The accompanying notes form an integral part of the financial statements

2

3-48

As per our report of even date attached

For B S R & Co. LLP

ICAI Firm Registration Number: 101248W/W-100022

Chartered Accountants

Ankush Goel

Partner

Membership No. 505121

For and on behalf of the Board of Directors of  
Voith Paper Fabrics India Limited

S.K.Nagpal

Director

DIN : 01171148

Deepti Gupta

Director

DIN : 08481203

Pallavi D. Gupta

Director

DIN : 06566637

R. Krishna Kumar

Managing Director

DIN : 05344619

Kalyan Dasgupta

Finance Controller

CMA No. : 25152

C.S. Gugliani

Company Secretary

FCS No. : 4301

Place : New Delhi

Dated : 28 May 2024

Place : New Delhi

Dated : 28 May 2024

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 1. Corporate information

Voith Paper Fabrics India Limited ('the Company') is a public limited company domiciled in India and with its registered office at Plot No. 113/114 - A, Sector - 24, Faridabad - 121005, Haryana, India incorporated under the provisions of Indian Companies Act, 1956 and its equity shares are listed on Bombay Stock Exchange in India. The Company is a subsidiary of VP Auslandsbeteiligungen GmbH which holds 74.04% paid up equity share capital of the Company. The Company is primarily involved in the business of manufacturing and trading of paper machine clothing for pulp, paper and board industry.

### 2. Material accounting policies

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

#### (a) Basis of preparation

##### (i) Statement of compliance

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

##### (ii) Functional and presentation currency

Items included in these Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Ind AS financial statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated.

##### (iii) Historical cost convention

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

- certain financial asset and liabilities at fair value (Derivatives)
- defined benefit obligation (net of plan assets) are measured at fair value

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- i) It is expected to be realised or intended to be sold or consumed in normal operation cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is expected to be realised within twelve months after the reporting period; or
- iv) It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### (c) Property, plant and equipment (PPE)

#### (i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated assets, is recognised in profit or loss as incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

#### (iii) Depreciation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful live specified in Part 'C' of Schedule II of the Act, except for the specific category of plant and machinery which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Pre-tackers	10 Years	10-15 years
Needle loom, weaving loom, forming/shuttle loom	12 Years	10-15 years
1 Texo Loom - Flat, Oil heated	13.48 years	10-15 years
Texo Loom	10 years	10-15 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

#### (iv) Derecognition

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

### (d) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

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

### (e) Measurement of fair values

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

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

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

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 35(a).

### (f) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

#### Financial assets

##### *Recognition and initial measurement*

A financial asset (unless it is a trade receivable without a significant financing components which is initially measured at the transaction price.) recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in Statement of Profit and Loss.

##### *Classification and Subsequent measurement*

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

- amortised cost;
- FVOCI- equity instrument
- FVTPL

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

##### *Financial assets at amortised cost*

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

- a) It is held within a business model whose objective is to hold assets to collect contractual cash flows, and

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After such initial measurement, these assets are subsequently measured at amortised cost using the effective interest rate method ('EIR'). The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

The Company holds derivative financial instruments to mitigate its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in statement of profit and loss.

### **Financial assets at FVOCI**

These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

### **Financial asset at Fair value through profit and loss (FVTPL)**

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in Statement of Profit and Loss.

### **Derecognition of financial assets**

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

If the Company enters into transactions whereby it transfers assets recognized on its Statement of Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

### **Financial liabilities**

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

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### **Subsequent measurement**

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

#### **(i) Financial liabilities at fair value through profit or loss**

The Company has not designated any financial liabilities at FVTPL.

#### **(ii) Financial liabilities at amortized cost**

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense is recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

### **Derecognition of financial liabilities**

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

### **Offsetting**

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

Termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### (g) Inventories

Inventories are valued at lower of cost or net realisable value.

The methods of determining cost of various categories of inventories are as follows:

Raw Material	Weighted average method
Stores and spares	First in first out (FIFO) method
Work-in-progress and finished goods (manufactured)	Weighted average method
Finished goods (traded)	Weighted average method

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

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.

In determining the cost, weighted average cost method is used except stores and spares where FIFO is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on reasonable basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis. Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

### (h) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk or change in value.

### (i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of receivable can be measured reliably.

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods and is included in the Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made, as and when required.

### (j) Revenue recognition

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

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

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract liability is recognised when there is billings in excess of revenues.

The specific recognition criteria described below must also be met before revenue is recognized.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### I. Sale of products

Revenue from sale of products is recognized at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue. Additionally amount disclosed as revenue are excluding taxes and net of return rebate, allowance etc.

The payment terms varies from customer to customer as per contract which includes advance payments and credit terms in upto 30 to 40 days, based on customary business practices.

**Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

### (k) Retirement and other employee benefits

#### Short-term employee benefits

All employee benefits falling due within twelve months from the end of the period in which employees render the related services are classified as short-term employee benefits, which includes benefits like salaries, wages, performance linked reward etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

#### Post-employment benefits

##### a) Gratuity

The Company has an obligation towards gratuity as per payment of Gratuity Act, 1972, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of the employment. The liability in respect of gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary at each balance sheet date using projected unit credit method. The gratuity liability of the Company is funded with Life Insurance Corporation of India, which is managed by separate trust set up the Company. Actuarial losses/gains are recognised in the other comprehensive income and Loss in the year in which they arise.

##### b) Superannuation

Certain employees of the Company are also participants in the superannuation plan, a defined contribution plan. Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

##### c) Provident fund

The Company makes contribution to the recognised provident fund - VPFIL Employees Provident Fund Trust for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

##### d) Other long-term employee benefits

#### Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to the future periods to either be utilised during the service, or encashed. Encashment can be made during service, or early retirement,

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

on withdrawal of scheme, at resignation and upon death of employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of accounts based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

### (l) Income tax

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

#### i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date.

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

#### ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised on deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Entity has recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

### (m) Leases

#### Determining whether a contract contains lease

At inception of a contract, the Company determines whether the contract is, or contains, a lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or assets for a period of time in exchange for consideration, even if that right is not explicitly specified in a contract. At inception or on reassessment of a contract that contains lease component and one or more additional lease or non-lease components, the Company separates payments and other consideration required by the contract into those for each lease component on the basis of their relative stand-alone price and those for non-lease components on the basis of their relative aggregate stand-alone price. If the Company concludes that it is impracticable to separate the payments reliably, then right-of-use asset and Lease liability are recognised at an amount equal to the present value of future lease payments; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

#### Company as a lessee

At inception, the Company assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on an identified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of that asset.

The Company has elected to separate lease and non-lease components of contracts, wherever possible.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the transition date/ lease commencement date. The right-of-use asset is initially measured based on the present value of future lease payments, plus initial direct costs, and cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date, less any incentives received. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right of-use asset is subject to testing for impairment if there is an indicator for impairment.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

At the commencement date, Company measures the lease liability at the present value of the future lease payments that are not yet paid at that date discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company's uses its incremental borrowing rate as the discount rate. 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 the 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. Contingent rents payments are recognised as an expense in the period in which they are incurred. Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index). When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments. The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities in separately from other assets/ liabilities in the balance sheet.

The Company has elected not to recognize right of- use assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low value assets. The payments for such leases are recognized in the Standalone Statement of Profit and Loss on a straight-line basis over the lease term.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an underlying assets are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards incidental to ownership of underlying asset is transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### (n) Segment reporting

The Company is mainly in the business of manufacturing and trading of paper machine clothing for pulp, paper and board industry. The Managing Director of the Company is identified as chief operating decision maker (CODM). The company has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM).

### (o) Foreign currency translation

#### (i) Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian rupees.

#### (ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when fair value was determined. Non- monetary assets and liabilities that are measured based on a historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI.

- equity investment at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

### (p) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of equity shares outstanding during the financial year

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share to take into account: the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (q) Critical estimates and judgements

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect of the amounts recognised in the financial statements is included in the following notes:-

#### (a) Recoverability of deferred taxes (note 2(m) or 17)

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### (b) Defined benefit plans (note 2(1) and 35)

The costs of post-retirement benefit 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 and mortality rates. 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.

#### (c) Useful lives of property, plant and equipment and Intangible asset (refer note 2(c) and 3a)

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. At the end of the current reporting period, the management determined that the useful lives of property, plant and equipment at which they are currently being depreciated represent the correct estimate of the lives and need no change.

#### (d) Assessment of litigations

The Company is contesting litigations at various forums. These litigations are assessed by the Company to evaluate the likelihood for which provision is required in the books or disclosure as contingent liability in the financial statements.

### (r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non- occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized since it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in financial statements.

### (s) Cash flow statement

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, changes in working capital 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. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### (t) Recent accounting pronouncements

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

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

## 3. Property, plant and equipment and capital work-in-progress

Particulars	Freehold Land	Buildings		Plant and machinery	Furniture and fixtures	Office equipment's (including Computers)	Vehicles	Sub-total (A)	Capital work-in-progress (B)	Total (A) + (B)
		Owned	Owned, given on lease							
Gross carrying amount										
Balance as at 31 March 2022	1.81	167.94	13.54	871.81	4.66	42.25	0.46	1,102.47	74.06	1,176.53
Additions during the year	-	-	-	158.93	0.96	8.38	-	168.27	130.11	298.38
Disposals/ adjustments during the year	-	-	-	0.66	0.51	2.51	-	3.68	168.25	171.93
Balance as at 31 March 2023	1.81	167.94	13.54	1,030.08	5.11	48.12	0.46	1,267.06	35.92	1,302.98
Additions during the year	-	15.80	-	387.51	2.22	3.35	-	408.88	405.22	814.10
Disposals/ adjustments during the year	-	-	-	15.24	0.20	-	0.07	15.51	408.88	424.39
Balance as at 31 March 2024	1.81	183.74	13.54	1,402.35	7.13	51.47	0.39	1,660.43	32.26	1,692.69
Accumulated depreciation										
Balance as at 31 March 2022	-	25.54	3.27	329.20	2.77	20.38	0.45	381.61	-	381.61
Depreciation for the year	-	6.09	0.47	79.77	0.47	8.37	0.01	95.18	-	95.18
Disposals	-	-	-	0.46	0.49	2.51	-	3.46	-	3.46
Balance as at 31 March 2023	-	31.63	3.74	408.51	2.75	26.24	0.46	473.33	-	473.33
Depreciation for the year	-	6.48	0.47	92.68	0.57	9.04	-	109.24	-	109.24
Disposals	-	-	-	5.71	0.17	-	0.07	5.95	-	5.95
Balance as at 31 March 2024	-	38.11	4.21	495.48	3.15	35.28	0.39	576.62	-	576.62
Carrying amounts (net)										
As at 31 March 2023	1.81	136.31	9.80	621.57	2.36	21.88	-	793.73	35.92	829.65
As at 31 March 2024	1.81	145.63	9.33	906.87	3.98	16.19	-	1,083.81	32.26	1,116.07
Description of property	Gross carrying value as at 31 March 2024 (Rs. in million)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute					
Freehold Land, Faridabad*	1.81	Porritts & Spencer (Asia) Limited	Not applicable	Since March 1970	Name of the Company changed from "Porritts & Spencer (Asia) Limited" to "Voith Paper Fabrics India Limited"					

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### Deemed Cost

On transition of Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment and intangible asset recognized as at 01 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

#### a) Ageing of Capital work-in-progress as at 31 March 2024

	Amount in Capital work-in-progress for a period of				
Project name	Less than a year	1-2 years	2-3 years	>3 year	Total
<i>Projects in progress</i>					
Project 1	4.92	-	-	-	4.92
Project 2	8.43	-	-	-	8.43
Project 3	-	0.03	0.11	6.94	7.08
Project 4	0.08	-	-	-	0.08
Project 5	1.39	-	-	-	1.39
Project 6	1.98	-	-	-	1.98
Project 7	4.58	-	-	-	4.58
Project 8	0.54	-	-	-	0.54
Project 9	1.95	-	-	-	1.95
Project 10	1.01	-	-	-	1.01
Project 11	0.30	-	-	-	0.30
<i>Projects temporarily suspended</i>	-	-	-	-	-
<b>Total</b>	<b>25.18</b>	<b>0.03</b>	<b>0.11</b>	<b>6.94</b>	<b>32.26</b>

#### b) Completion schedule for capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

	To be completed in				
Project name	Less than a year	1-2 years	2-3 years	>3 year	Total
<i>Projects in progress</i>					
Project 1	4.92	-	-	-	4.92
Project 3	7.07	-	-	-	7.07
Project 4	0.08	-	-	-	0.08
Project 5	1.39	-	-	-	1.39
Project 6	1.98	-	-	-	1.98
Project 7	4.58	-	-	-	4.58
Project 8	0.54	-	-	-	0.54
Project 9	1.95	-	-	-	1.95
Project 10	1.01	-	-	-	1.01
Project 11	0.30	-	-	-	0.30
<i>Projects temporarily suspended</i>	-	-	-	-	-
<b>Total</b>	<b>23.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.82</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### a) Ageing of Capital work-in-progress as at 31 March 2023

	Amount in Capital work-in-progress for a period of				
Project name	Less than a year	1-2 years	2-3 years	>3 year	Total
<i>Projects in progress</i>					
Project 3	0.02	0.11	-	6.94	7.07
Project 15	3.37	-	-	-	3.37
Project 16	14.56	-	-	-	14.56
Project 17	10.85	-	-	-	10.85
Project 18	0.07	-	-	-	0.07
<i>Projects temporarily suspended</i>	-	-	-	-	-
<b>Total</b>	<b>28.87</b>	<b>0.11</b>	<b>-</b>	<b>6.94</b>	<b>35.92</b>

### b) Completion schedule for capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

	To be completed in				
Project name	Less than a year	1-2 years	2-3 years	>3 year	Total
<i>Projects in progress</i>					
Project 3	7.07	-	-	-	7.07
Project 15	3.37	-	-	-	3.37
Project 16	14.56	-	-	-	14.56
Project 17	10.85	-	-	-	10.85
<i>Projects temporarily suspended</i>	-	-	-	-	-
<b>Total</b>	<b>35.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.85</b>

### 4. Right to use assets

Particulars	Right to use asset
<b>Gross carrying amount</b>	
Balance as at 31 March 2022	-
Additions during the year	-
Disposals/ adjustments during the year	-
<b>Balance as at 31 March 2023</b>	-
Additions during the year	2.73
Disposals/ adjustments during the year	-
<b>Balance as at 31 March 2024</b>	<b>2.73</b>
<b>Accumulated depreciation</b>	
Balance as at 31 March 2022	-
Depreciation for the year	-
Disposals	-
<b>Balance as at 31 March 2023</b>	-
Depreciation for the year	0.48
Disposals	-
<b>Balance as at 31 March 2024</b>	<b>0.48</b>
<b>Carrying amounts (net)</b>	
As at 31 March 2023	-
<b>As at 31 March 2024</b>	<b>2.25</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2024 and 31 March 2023:

Within one year	0.61
Within one - two years	0.55
Within two - three years	0.49
Within three - five years	1.08
<b>Total lease payments</b>	<b>2.73</b>

The reconciliation of lease liabilities is as follows:

Balance as at 1 April 2022	-
Additions	-
Amounts recognized in statement of profit and loss as interest expense	-
Payment of lease liabilities	-
Derecognition	-
<b>Balance as at 31 March 2023</b>	<b>-</b>
Additions	2.73
Amounts recognized in statement of profit and loss as interest expense	0.23
Payment of lease liabilities	0.64
Derecognition	-
<b>Balance as at 31 March 2024</b>	<b>2.32</b>

The break-up of current and non-current lease liabilities as at 31 March 2024 and 31 March 2023 is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	0.61	-
Non-current lease liabilities	1.71	-
<b>Total</b>	<b>2.32</b>	<b>-</b>

### 5. Other financial assets (Non-current)

(unsecured considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Security deposits	7.75	7.04
<b>Total other financial assets (Non-current)</b>	<b>7.75</b>	<b>7.04</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 6. Other tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Advance income tax (net of provision for tax Rs. 677.95 million; 31 March 2023 : 677.95 million)	27.57	27.57
<b>Total other tax assets (net)</b>	<b>27.57</b>	<b>27.57</b>

### 7. Other non-current assets

(unsecured considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Capital advances	30.95	108.74
<b>Total other non-current assets</b>	<b>30.95</b>	<b>108.74</b>

### 8. Inventories

(valued at lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023
Raw materials (including goods in transit Rs. 7.15 million; 31 March 2023 : Rs. 29.24 million)	223.50	199.89
Work-in-progress	86.43	67.05
Finished goods	14.70	17.75
Stock-in-trade (goods in transit Rs. 14.40 million; 31 March 2023 : Rs. 33.04 million)	14.40	33.04
Stores and spare parts	8.62	3.31
<b>Total inventories</b>	<b>347.65</b>	<b>321.04</b>

The write-down of inventories to net realisable value amounted to Rs. 5.66 million; (31 March 2023 : Rs. 8.96 million). The reversal of write-downs during the year amounted to Rs. 14.28 million (31 March 2023 : Rs. 5.05 million). The write-down and reversal are included in cost of materials or changes in inventories of finished goods and work-in-progress.

### 9. Trade receivables

	As at 31 March 2024	As at 31 March 2023
<b>Unsecured</b>		
Trade receivable considered good**	253.49	242.71
Trade receivable - credit impaired	5.06	5.11
<b>Total Trade Receivables</b>	<b>258.55</b>	<b>247.82</b>
Loss allowance	(5.96)	(6.39)
<b>Net trade receivables</b>	<b>252.59</b>	<b>241.43</b>
<b>Of the above, trade receivables from related parties are as below:</b>		
Trade receivables due from related parties*	44.12	22.19
Loss allowance	-	-
<b>Net trade receivables</b>	<b>44.12</b>	<b>22.19</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### Ageing of trade receivable as at 31 March 2024:

	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>								
Considered good	-	141.72	109.99	0.88	-	-	-	252.59
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	0.90	0.04	0.22	0.17	-	-	1.33
<b>Disputed trade receivable</b>								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	0.73	1.73	-	-	2.17	4.63
<b>Total</b>	-	142.62	110.76	2.83	0.17	-	2.17	258.55

### Ageing of trade receivable as at 31 March 2023:

	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade receivables</b>								
Considered good	-	150.04	90.28	2.04	0.34	0.01	-	242.71
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	1.52	-	0.14	1.28	-	2.94
<b>Disputed trade receivable</b>								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	2.17	2.17
<b>Total</b>	-	150.04	91.80	2.04	0.48	1.29	2.17	247.82

\* Refer note 39 for related party balances.

\*\* Refer note 37 for the Company's exposure to currency and liquidity risks related to trade receivable.

## 10. Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
<b>Balances with banks:</b>		
- On current accounts/ EEFC account	68.47	47.05
- Deposits with original maturity of less than 3 months	88.12	83.09
<b>Total cash and cash equivalents</b>	<b>156.59</b>	<b>130.14</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 11. Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Deposits with banks with original maturity of more than three months but less than 12 months*	1,604.11	1,804.73
- Unclaimed dividend account	1.79	1.94
<b>Total other bank balances</b>	<b>1,605.90</b>	<b>1,806.67</b>

\* Includes interest accrued on fixed deposits amounting to Rs. 54.11 million (31 March 2023 - Rs. 54.73 million)

### 12. Other financial assets (Current)

(unsecured considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Security deposits	1.33	1.15
Less : Loss allowances for doubtful deposits	(1.05)	(1.05)
	0.28	0.10
Mark-to-market on derivative contracts	-	0.73
Balances with banks:		
Deposits with banks with original maturity of more than 12 months*	289.98	-
<b>Total other financial assets</b>	<b>290.26</b>	<b>0.83</b>

\* Includes interest accrued on fixed deposits amounting to Rs. 9.98 million (31 March 2023 - Rs. Nil)

### 13. Other current assets

(unsecured considered good unless otherwise stated)

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	6.42	5.21
<b>Balances with government authorities</b>		
- Unsecured and good	35.43	10.80
- Doubtful	0.20	0.20
Less : Loss allowances for doubtful assets	(0.20)	(0.20)
Advance to employees	2.41	1.64
Advance for supply of goods and services	2.93	3.68
Less : Loss allowances for doubtful advances	(0.49)	(0.49)
Others	11.14	6.97
<b>Total other current assets</b>	<b>57.84</b>	<b>27.81</b>
Of the above, other current assets from related parties are as below:		
Other current assets due from related parties	3.27	-

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 14. Equity Share Capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity shares of Rs. 10 each	25.00	250.00	25.00	250.00
	25.00	250.00	25.00	250.00
<b>Issued, Subscribed and Paid-up</b>				
Equity shares of Rs. 10 each	4.39	43.93	4.39	43.93
	4.39	43.93	4.39	43.93

#### a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2024		31 March 2023	
	Numbers	Amount	Numbers	Amount
<b>Equity shares</b>				
At the commencement and at the end of the year	4.39	43.93	4.39	43.93

#### b) Rights, preferences and restrictions attached to equity shares

The company has only one class of shares referred to as equity shares having par value of INR 10 each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c) Shares held by holding company

	31 March 2024		31 March 2023	
	Numbers	Amount	Numbers	Amount
<b>Equity shares of Rs. 10 each held by -</b>				
VP Auslandsbeteiligungen GmbH, Germany	3.25	32.52	3.25	32.52
	3.25	32.52	3.25	32.52

#### d) Details of shareholders holding more than 5% shares in the company:

	31 March 2024		31 March 2023	
	Numbers	% of holding	Numbers	% of holding
<b>Equity shares of Rs. 10 each held by -</b>				
VP Auslandsbeteiligungen GmbH, Germany	3.25	74.04%	3.25	74.04%
	3.25	74.04%	3.25	74.04%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownership of equity shares.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### e) Details of promoters shareholding as at year end:

	31 March 2024		31 March 2023	
	Numbers	% of holding	Numbers	% of holding
Equity shares of Rs. 10 each held by -				
VP Auslandsbeteiligungen GmbH, Germany	3.25	74.04%	3.25	74.04%
	3.25	74.04%	3.25	74.04%

#### For the year ended 31 March 2024

Promotor's Name and Class of Shares	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
VP Auslandsbeteiligungen GmbH, Germany	3.25	-	3.25	74.04%	-

#### For the year ended 31 March 2023

Promotor's Name and Class of Shares	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
VP Auslandsbeteiligungen GmbH, Germany	3.25	-	3.25	74.04%	-

### 15. Other equity

	As at 31 March 2024	As at 31 March 2023
<i>Attributable to the owners of the Company :</i>		
General reserve (a)	577.53	577.53
Retained earnings	2,863.76	2,531.57
Other comprehensive income - remeasurement of defined benefit (obligation) / asset (b)	(1.27)	(0.04)
<b>Total attributable to the owners of the Company</b>	<b>3,440.02</b>	<b>3,109.06</b>

#### Nature and purpose of other equity

##### (a) General reserve

This represents appropriation of profits by the Company and is available for distribution of dividend.

##### (b) Remeasurement of defined benefit obligation

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and, the return on plan assets are recognised immediately in OCI.

### 16. Provisions (Non-current)

	As at 31 March 2024	As at 31 March 2023
Provision for Employee benefits		
Provision for gratuity (Refer note 35)	2.29	3.17
Provision for compensated absences (Refer note 35)	41.13	34.30
Provision for other retirement benefits (Refer note 35)	0.02	0.02
Provision for long service award (Refer note 35)	1.64	1.63
<b>Total provisions (Non-current)</b>	<b>45.08</b>	<b>39.12</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 17. Deferred tax

	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities</b>		
Difference in property, plant and equipment as per books and income-tax law	39.39	32.95
RoU asset	0.57	-
<b>Total (I)</b>	<b>39.96</b>	<b>32.95</b>
<b>Deferred tax assets</b>		
Provision for other retirement benefits	-	0.01
Provision for warranties and other payables etc.	5.47	4.69
Provision for contingencies	1.80	1.80
Expenditure covered by section 43B of the Income-tax Act, 1961	17.12	13.81
Provision for loss allowances for doubtful debts and advances	1.94	2.05
Lease liability	0.58	-
<b>Total (II)</b>	<b>26.91</b>	<b>22.36</b>
<b>Net deferred tax liability (I)-(II)</b>	<b>13.49</b>	<b>10.59</b>

### 18. Trade payables

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Trade payables*		
- total outstanding dues of micro enterprises and small enterprises	8.43	4.65
- total outstanding dues of creditors other than micro enterprises and small enterprises	172.58	197.72
<b>Total trade payables</b>	<b>181.01</b>	<b>202.37</b>

*Ageing of trade payable as at 31 March 2024:*

	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed trade payables:</b>							
Micro Enterprises and small enterprises	-	5.83	2.52	0.08	-	-	8.43
Others	52.42	46.15	73.22	0.33	0.12	0.34	172.58
<b>Disputed trade payables:</b>							
Micro Enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>52.42</b>	<b>51.98</b>	<b>75.74</b>	<b>0.41</b>	<b>0.12</b>	<b>0.34</b>	<b>181.01</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### Ageing of trade payable as at 31 March 2023:

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed trade payables:</b>							
Micro Enterprises and small enterprises	-	3.67	0.85	-	0.13	-	4.65
Others	12.65	133.07	51.72	0.41	(0.01)	(0.12)	197.72
<b>Disputed trade payables:</b>							
Micro Enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total</b>	<b>12.65</b>	<b>136.74</b>	<b>52.57</b>	<b>0.41</b>	<b>0.12</b>	<b>(0.12)</b>	<b>202.37</b>

\* Refer note 34 for disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

\* Refer note 39 for related party balances. Related party balance on 31 March 2024 : Rs. 76.93 million ; 31 March 2023 : Rs. 86.42 million.

\* Refer note 37 for the Company's exposure to currency and liquidity risks related to trade payables.

### 19. Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Unpaid dividend	1.79	1.94
Capital creditors	75.27	6.08
Mark-to-market on derivative contracts	0.16	-
Employee benefits payables*	29.72	27.59
Security deposit received	0.70	-
Others**	3.10	3.31
<b>Total other financial liabilities</b>	<b>110.74</b>	<b>38.92</b>
<b>Non-current</b>		
Security deposit received (Refer Note 39)	1.35	1.28
	<b>1.35</b>	<b>1.28</b>

\* Refer note 39 for related party balances. Related party balance on 31 March 2024 : Rs. 0.81 million ; 31 March 2023 : Rs. 4.51 million.

\*\* Payable to VPFIL Employees' Provident Fund Trust

### 20. Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Advances from customers	15.57	23.97
Statutory liabilities	10.33	7.77
Others	1.17	0.50
<b>Total other current liabilities</b>	<b>27.07</b>	<b>32.24</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 21. Provisions (Current)

	As at 31 March 2024	As at 31 March 2023
<b>Provision for Employee benefits</b>		
Provision for gratuity (Refer note 35)	4.14	3.58
Provision for compensated absences (Refer note 35)	5.13	3.79
Provision for other retirement benefits (Refer note 35)	-	0.02
Provision for long service award (Refer note 35)	0.85	0.40
	<u>10.12</u>	<u>7.79</u>
<b>Other provisions</b>		
Provision for warranties (Refer note 21(a))	9.99	8.48
Provision for contingencies (Refer note 21(b))	7.14	7.14
	<u>17.13</u>	<u>15.62</u>
<b>Total provisions (Current)</b>	<u>27.25</u>	<u>23.41</u>

**21(a).** Provision for warranty represents costs associated with providing sales and support services which are accrued at the time of recognition of revenue and are expected to be utilized over a period of 1 year. Assumption used to calculate the provision for warranties were based on current sales level and current information about actual claims settlement based on the past trend. A summary of activity is as follows:

	As at 31 March 2024	As at 31 March 2023
At the commencement of the year	8.48	6.94
Provision made during the year	10.33	16.11
Provision utilised during the year	(8.82)	(14.57)
Provision reversed during the year	-	-
<b>At the end of the year</b>	<u>9.99</u>	<u>8.48</u>

**21(b).** Provision for contingencies primarily made for probable liabilities/claims arising out of the past period. These provisions are affected by uncertainties and management has made best estimate. A summary of activity is given below:

	As at 31 March 2024	As at 31 March 2023
At the commencement and end of the year	7.14	7.14
Provision made during the year	-	-
Provision utilised during the year	-	-
Unutilised provision written back during the year	-	-
<b>At the end of the year</b>	<u>7.14</u>	<u>7.14</u>

### 22. Income tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Provision for taxation (net of advance tax Rs. 118.57 million (31 March 2023 : Nil))	3.16	-
<b>Total</b>	<u>3.16</u>	<u>-</u>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 23. Revenue from operations

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
Sale of products		
- manufactured	1,456.86	1,416.88
- traded goods	311.11	206.45
Total sale of goods (A)	1,767.97	1,623.33
Sale of services		
- Services	0.36	-
- Commission	9.85	5.61
Total sale of services (B)	10.21	5.61
Other operating revenues		
- Scrap sales	14.70	11.50
- Export incentive	3.29	3.25
Other operating revenues (C)	17.99	14.75
Total revenue from operations (A+B+C)	1,796.17	1,643.69

#### Disaggregation of revenue

The table below presents disaggregated revenues from contracts with customers by geography and products and services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

#### (a) Revenues by geography\*

	For the year ended 31 March 2024	For the year ended 31 March 2023
India	1,533.04	1,402.43
Outside India	263.13	241.26
Total	1,796.17	1,643.69

\*Disclosure relating to revenues by geography has been made with respect to location of customers.

#### (b) Revenues from products and services \*

	For the year ended 31 March 2024	For the year ended 31 March 2023
Products	1,767.97	1,623.33
Other services	10.21	5.61
Total	1,778.18	1,628.94

\*Revenue from product comprises of revenue generated from sale of manufactured and traded goods. Revenue from services includes income from commission and other services.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### (c) Particulars

	For the year ended 31 March 2024	For the year ended 31 March 2023
Contracted Price	1,774.58	1,631.33
Less: Trade discounts and volume rebates	(6.61)	(8.00)
<b>Sale of products</b>	<b>1,767.97</b>	<b>1,623.33</b>

- (d) Contract liabilities represents amount received from customers as per the terms of purchase order to deliver goods and expected sale return from the sale of goods. Once the goods are delivered and control is transferred to customers the same is adjusted accordingly. The amount of revenue INR 15.57 million (31 March 2023 INR 23.97 millions) recognised in the reporting period was included in the contract liability balance at the beginning of the period.

### 24. Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Interest income at amortized cost:</b>		
- on bank deposits	133.30	96.85
- on income tax refund	-	0.35
Foreign exchange fluctuation gain (net)	2.13	-
Mark to market gain on derivative contracts (net)	-	0.73
Rental income	9.00	9.22
Miscellaneous income	2.31	4.31
Provision for doubtful advances written back (net)	-	0.15
<b>Total other income</b>	<b>146.74</b>	<b>111.61</b>

### 25. Cost of materials consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory of materials at the beginning of the year	199.89	150.51
Add: Purchases	424.54	438.99
Less: Inventory of materials at the end of the year	223.50	199.89
<b>Total cost of materials consumed</b>	<b>400.93</b>	<b>389.61</b>

### 26. Purchase of stock-in-trade

	For the year ended 31 March 2024	For the year ended 31 March 2023
Stock-in-trade	212.21	177.32
<b>Total purchase of stock-in-trade</b>	<b>212.21</b>	<b>177.32</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 27. Changes in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year		
Work-in-progress	86.43	67.05
Finished goods - Manufactured	14.70	17.75
Finished goods - Traded	14.40	33.04
	<u>115.53</u>	<u>117.84</u>
Inventories at the beginning of the year		
Work-in-progress	67.05	64.96
Finished goods - Manufactured	17.75	16.60
Finished goods - Traded	33.04	13.25
	<u>117.84</u>	<u>94.81</u>
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	<u>2.31</u>	<u>(23.03)</u>

### 28. Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	186.04	157.03
Contribution to provident and other funds (Refer note 35 a)	7.64	10.03
Contribution to super annuation fund (Refer note 35 a)	6.08	5.31
Expenses related to post-employment defined benefit plans (Refer note 35 b)	3.94	3.71
Expenses related to compensated absences	9.52	5.73
Other retirement benefit expenses#	-	0.01
Long service award	0.46	0.48
Staff welfare expenses	11.06	9.06
Total employee benefits expenses	<u>224.74</u>	<u>191.36</u>

# Amount below rounding off norms

### 29. Depreciation expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	109.24	95.18
Depreciation on right to use assets	0.48	-
Total depreciation	<u>109.72</u>	<u>95.18</u>

### 30. Finance cost

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liability	0.23	-
	<u>0.23</u>	<u>-</u>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 31. Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	73.17	79.76
Contract labour cost	78.80	66.16
Power and fuel	106.41	103.28
Freight and forwarding charges	5.37	3.84
Rates and taxes	2.96	3.02
Insurance	5.27	5.08
Repairs and maintenance		
- Plant and machinery	51.04	56.02
- Buildings	11.63	9.07
- Others	6.59	6.37
Sales commission	1.16	2.27
Travelling and conveyance	18.31	16.86
Communication expenses	15.02	12.81
Legal and professional fees	3.98	2.45
Directors' sitting fees	1.58	1.79
Payments to auditor (see note below)	3.83	3.39
Warranties	10.34	16.11
Bad debts written off	1.18	0.80
Less : Provision utilized	(0.56)	(0.63)
Loss allowance	0.12	1.95
Provision for doubtful advances	-	0.49
Net loss on sale of property, plant and equipment	8.79	0.05
Less: Reimbursement from Group Company	(8.79)	-
Mark to market loss on foreign exchange forward contracts (net)	0.16	-
Technical know how fees	72.69	70.96
Net loss on foreign currency transactions	-	6.36
Advertising and sales promotion	0.49	0.49
Security charges	4.00	3.80
Expenditure on corporate social responsibility (Refer note 42)	7.94	7.35
Training and development charges	2.82	1.08
Miscellaneous expenses	20.52	15.86
	<u>504.82</u>	<u>496.84</u>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 32. Payment to auditors (excluding applicable taxes)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>As auditor:</b>		
Statutory audit	2.01	1.78
Tax audit	0.20	0.20
Limited review of quarterly results	0.91	0.79
Group audit	0.42	0.34
Reimbursement of expenses	0.29	0.28
<b>Total payment to auditors</b>	<b>3.83</b>	<b>3.39</b>

### 33. Income Tax

The major components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are:

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current income tax:</b>		
Current income tax charge for the year	121.73	108.58
Income tax related to earlier years	(0.03)	0.40
	<b>121.70</b>	<b>108.98</b>
<b>Deferred tax:</b>		
Deferred tax	3.31	1.06
	<b>3.31</b>	<b>1.06</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>125.01</b>	<b>110.04</b>
<b>OCI</b>		
Tax related to items that will not be classified to Profit & Loss	0.41	0.26
<b>Income tax charged to OCI</b>	<b>0.41</b>	<b>0.26</b>

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2024 and 31 March 2023:

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Accounting profit before income tax</b>	<b>487.95</b>	<b>428.02</b>
At India's statutory income tax rate applicable to the company	122.81	107.72
- Income tax related to earlier years	(0.03)	0.83
- Effect of non-deductible expenses and exempt income	1.83	2.39
- Others	0.40	(0.50)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>125.01</b>	<b>110.44</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 34. Micro, small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act to the extent information is available with the Company are as follows:

	As at 31 March 2024	As at 31 March 2023
The principal amount remaining unpaid to any supplier as at the end of each accounting year*	31.67	5.65
The interest due on principal amount remaining unpaid to any supplier as at the end of each accounting year	0.32	0.09
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development act, 2006	0.68	0.19
The amount of interest accrued and remaining unpaid at the end of the year	1.54	0.54
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>*Included in:</b>		
<b>Trade payable:</b>		
- total outstanding dues of micro enterprises and small enterprises	8.43	4.65
-total outstanding dues of creditors of medium enterprises	21.93	0.79
Capital creditors	1.31	0.21

### 35. Employee benefits in respect of the Company have been calculated as under:

#### (a) Defined Contribution Plans (Refer note no. 28)

The company has certain defined contribution plan such as provident fund (also refer accounting policy for provident fund), employee state insurance, employee pension scheme, employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employer's contribution to provident fund	4.89	7.43
Employer's contribution to employees' pension scheme 1995	1.83	1.79
Employer's contribution to superannuation fund	6.08	5.31
Employer's contribution to employee deposit linked insurance	0.47	0.45
Employer's contribution to employee state insurance	0.36	0.28
Employer's contribution to labour welfare fund	0.09	0.08

#### (b) Defined Benefit Plans

##### (i) Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.00% p.a. (31 March 2023 : 7.20% p.a.) which is determined by reference to market yield at the balance sheet date on government bonds. The retirement age has been considered at 58 years (31 March 2023 : 58 years).

The estimates of future salary increases, considered in actuarial valuation is 10% p.a. (31 March 2023 : 10%), taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

The plan assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return based on LIC statement on plan assets is 7.00% p.a. (31 March 2023 : 7.20% p.a.).

Mortality rates are based on IALM (2012-24) Ultimate in both the years.

Attrition Rate	For the year ended 31 March 2024	For the year ended 31 March 2023
Withdrawal rate	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%

Reconciliation of opening and closing balances of present value of defined benefit obligation:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the beginning of the year	45.69	41.79
Current service cost	3.58	3.33
Interest cost	3.09	2.98
Benefits paid	(1.61)	(3.35)
Actuarial loss	1.97	0.94
Present value of obligation at the end of the year	52.72	45.69

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the end of the year	52.72	45.69
Fair value of plan assets at the end of the year	(46.28)	(38.94)
Net liabilities recognised in the Balance Sheet	6.44	6.75

Fair value of plan assets:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Plan assets at the beginning of the year	38.94	34.90
Expected return on plan assets	2.73	2.60
Contribution by employer	5.89	4.91
Actual benefits paid	(1.61)	(3.35)
Actuarial (loss)/ gain	0.33	(0.12)
Plan assets at the end of the year	46.28	38.94

Expense recognised in the Statement of Profit and Loss under employee benefits expenses:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	3.58	3.33
Interest cost	0.36	0.38
Expense recognised in the Statement of Profit and Loss	3.94	3.71

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial loss/ (gain) due to financial assumption change	0.91	0.21
Actuarial loss due to experience adjustment	1.06	0.69
Actuarial loss on plan assets	(0.33)	0.12
<b>Amount recognised in the Other Comprehensive Income</b>	<b>1.64</b>	<b>1.02</b>

Sensitivity analysis:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Assumption</b>	<b>Discount rate</b>	<b>Future salary increase</b>
Sensitivity level	1 % increase	1 % increase
Impact on defined benefit obligation	(4.27)	4.78
Sensitivity level	1 % decrease	1 % decrease
Impact on defined benefit obligation	4.97	(4.20)

Sensitivity analysis:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Assumption</b>	<b>Discount rate</b>	<b>Future salary increase</b>
Sensitivity level	1 % increase	1 % increase
Impact on defined benefit obligation	(3.92)	2.01
Sensitivity level	1 % decrease	1 % decrease
Impact on defined benefit obligation	4.41	(2.04)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Maturity profile of defined benefit obligation	For the year ended 31 March 2024	For the year ended 31 March 2023
Within the next 12 months (next annual reporting period)	12.56	5.64
Between 1 and 2 years	3.09	5.55
Between 2 and 5 years	4.47	8.01
Over 5 years	25.22	10.55
<b>Total expected payments</b>	<b>45.34</b>	<b>29.75</b>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### (ii) Retirement benefit award (Other long term employees benefit)

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has also been carried out in respect of retirement benefit award. The discount rate assumed is 7.00% p.a. (31 March 2023 : 7.20% p.a.) which is determined by reference to market yield at the balance sheet date on government bonds. The retirement age has been considered at 58 years (31 March 2023 : 58 years).

Attrition Rate	For the year ended 31 March 2024	For the year ended 31 March 2023
Withdrawal rate	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Reconciliation of opening and closing balances of present value of defined benefit obligation:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the beginning of the year	0.04	0.15
Current service cost#	0.00	0.00
Interest cost#	0.00	0.01
Benefits paid	(0.02)	(0.08)
Acturial (gain)/ loss#	0.00	(0.04)
Present value of obligation at the end of the year	0.02	0.04

# Amount below rounding off norms

Reconciliation of the net liabilities recognised in the balance sheet

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the end of the year	0.02	0.04
Net liabilities recognised in the Balance Sheet	0.02	0.04

Expense recognised in the Statement of Profit and Loss under employee benefits expenses:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost#	0.00	0.00
Interest cost#	0.00	0.01
Expense recognised in the Statement of Profit and Loss	0.00	0.01

# Amount below rounding off norms

Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial loss / (gain) due to experience adjustment#	0.00	(0.04)
Amount recognised in the Other Comprehensive Income	0.00	(0.04)

# Amount below rounding off norms

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### Sensitivity analysis:

Particulars	For the year ended 31 March 2024
Assumption	Discount rate
Sensitivity level	1 % increase
Impact #	(0.02)
Sensitivity level	1 % decrease
Impact #	0.02

Particulars	For the year ended 31 March 2023
Assumption	Discount rate
Sensitivity level	1 % increase
Impact	0.00
Sensitivity level	1 % decrease
Impact #	0.00

# Amount is immaterial

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

### (iii) Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The total liability of Rs. 3.10 Millions (31 March 2023 : Rs. 3.31 Millions) has been recognised as at 31 March 2024 to meet shortfall.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate	7.00%	7.20%
Interest Rate Guarantee	8.25%	8.15%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 years	58 years
Withdrawal rate	Upto 30 years-3% 31-44 years-2% Above 45 years-1%	Upto 30 years-3% 31-44 years-2% Above 45 years-1%
Historical Yield on assets	8.00%	8.75%
Average Expected Future Working life	14.78	14.87

The Company has contributed Rs. 4.68 million to provident fund for the year.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

The breakup of plan assets into various categories as at 31 March 2024 and 31 March 2023 is as follow:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Central and state government bonds	44%	44%
Public sector undertakings and private sector bonds	32%	31%
Others	24%	25%

(c) Other long term benefits

(i) Compensated absences

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the end of the year	46.26	38.09
<b>Assumptions</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
Discount rate	7.00%	7.20%
Availment rate	2.50%	2.50%
Salary Increase	10.00%	10.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 years	58 years
Withdrawal rate	Upto 30 years-3% 31-44 years-2% Above 45 years-1%	Upto 30 years-3% 31-44 years-2% Above 45 years-1%

(ii) Long service award

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Present value of obligation at the end of the year	2.49	2.03
<b>Assumptions</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
Discount rate	7.00%	7.20%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 years	58 years
Withdrawal rate	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%	Upto 30 years - 3% 31-44 years- 2% Above 45 years- 1%

- (d) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 36. Fair value management

	Note	Level of hierarchy	31 March 2024			31 March 2023		
		Refer Note 2 (f)	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<i>Financial assets</i>								
Trade receivables	(a)		-	-	252.59	-	-	241.43
Cash and cash equivalents	(a)		-	-	156.59	-	-	130.14
Bank balances other than cash and cash equivalents	(a)		-	-	1,605.90	-	-	1,806.67
Other financial assets	(a)	2	-	-	298.01	0.73	-	7.14
<b>Total financial assets</b>			-	-	<b>2,313.09</b>	0.73	-	2,185.38
<i>Financial liabilities</i>								
Trade payables	(a)		-	-	181.01	-	-	202.37
Lease liability	(a)		-	-	2.32	-	-	-
Other financial liabilities	(a)	2	0.16	-	111.93	-	-	40.20
<b>Total financial liabilities</b>			0.16	-	<b>295.26</b>	-	-	242.57

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between level 1 and level 2 during the years.

### 37. Financial risk management

#### (A) Financial risk management

##### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee of the board with top management oversees the formulation and implementation of the Risk Management Policies. The risks and mitigation plan are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (i))
- liquidity risk (see (ii))
- market risk (see (iii))
- interest rate risk (see (iv))
- price risk (see (v))

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit risk exposure.

#### Trade receivable and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements and industry information etc.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trade history with the Company and existence of previous financial difficulties. The Company creates specific provision, if required, for credit impaired customers.

#### Expected credit loss for trade receivable:

The Company based on internal assessment which is driven by the historical experience / current facts available in relation to defaults and delays in collection thereof, the credit risk for trade receivable is considered low except for impaired customers. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The balance (net of expected credit loss allowance), excluding receivable from group companies is Rs. 208.47 million (31 March 2023 : Rs. 219.24 million).

Movement in the expected credit loss allowance of trade receivables are as follows:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	1.28	1.14
Add : Provided during the year (net of reversal)	(0.38)	0.14
Balance at the end of the year	0.90	1.28

The Company has also created specific provision of Rs. 5.06 Millions (31 March 2023: Rs. 5.11 Millions) in respect of trade receivables where risk of inability to collect is high.

#### Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

### ii. Liquidity risk

Liquidity risk is the risk that Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's finance department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by finance. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

The Company has sanctioned borrowing facilities, comprising non-fund based limits from various bankers on unsecured basis.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### Exposure to the liquidity risk

The following are remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

31 March 2024	Contractual cash flows			
	Carrying amount	Total	Within one year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Trade payables*	181.01	181.01	181.01	-
Other financial liabilities	112.09	112.09	110.74	1.35

31 March 2023	Contractual cash flows			
	Carrying amount	Total	Within one year	More than 1 year
<b>Non-derivative financial liabilities</b>				
Trade payables	202.37	202.37	202.37	-
Other financial liabilities	40.20	40.20	38.92	1.28

\*The Company uses foreign exchange forward contracts to selectively hedge its exposure (Refer note 43).

### iii. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes.

#### Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between currencies in which sales and purchases are denominated and the functional currency of the Company. The currencies which the Company is exposed to risk are EUR, USD, SEK, CNY, MYR, CAD, JPY, CHF and NOK.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract.

#### Gross exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company as follows:

(amount in Million Rs.)

	As at 31 March 2024					
	USD	EUR	SEK	CHF	CNY	MYR
Cash and cash equivalents	6.97	-	-	-	-	-
Trade receivables	34.99	11.10	-	-	-	-
Against open sales orders	61.19	41.76	-	-	-	0.04
Trade payables	(12.41)	(4.83)	(3.33)	-	-	-
Capital creditors	-	(62.60)	-	-	-	-
Against open purchase orders	(52.54)	(180.51)	(0.38)	(0.41)	(24.50)	-
Net statement of financial position exposure	38.20	(195.08)	(3.71)	(0.41)	(24.50)	0.04

# Amount below rounding off norms

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

(amount in Million Rs.)

	As at 31 March 2023								
	USD	EUR	SEK	CHF#	CNY	MYR	CAD	JPY	NOK
Cash and cash equivalents	7.43	3.07	-	-	-	-	-	-	-
Trade receivables	5.26	12.30	-	-	-	-	-	-	-
Against open sales orders	49.37	36.50	-	-	-	0.77	1.08	-	-
Trade payables	(49.83)	(11.34)	(0.93)	-	(1.34)	-	-	-	-
Capital creditors	-	(0.07)	-	-	-	-	-	-	-
Against open purchase orders	(84.39)	(319.52)	(0.42)	-	(9.64)	-	-	(2.50)	(0.54)
<b>Net statement of financial position exposure</b>	<b>(72.16)</b>	<b>(279.06)</b>	<b>(1.35)</b>	<b>-</b>	<b>(10.98)</b>	<b>0.77</b>	<b>1.08</b>	<b>(2.50)</b>	<b>(0.54)</b>

### Sensitivity analysis

A reasonable possible strengthening (weakening) of the USD, EUR, SEK, CHF, CNY, MYR, CAD, JPY and NOK against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact on forecast sales and purchases.

	Profit or Loss (before tax)	
	Strengthening	Weakening
<b>31 March 2024</b>		
USD (1% movement)	0.38	(0.38)
EUR (1% movement)	(1.95)	1.95
SEK (1% movement)	(0.04)	0.04
CHF (1% movement)#	-	-
CNY (1% movement)	(0.25)	0.25
MYR (1% movement)#	-	-
<b>31 March 2023</b>		
USD (1% movement)	(0.79)	0.79
EUR (1% movement)	(3.13)	3.13
SEK (1% movement)	(0.01)	0.01
CHF (1% movement)#	-	-
CNY (1% movement)	(0.14)	0.14
MYR (1% movement)	0.01	(0.01)
CAD (1% movement)	0.01	(0.01)
JPY (1% movement)	(0.04)	0.04
NOK (1% movement)	(0.01)	0.01

# Amount below rounding off norms

#### iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's fixed deposits.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Fixed-rate instruments</b>		
Financial assets - Bank deposits	1,982.21	1,887.82
	<u>1,982.21</u>	<u>1,887.82</u>

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity on bank deposits has not been disclosed as interest rate on such deposits is equivalent to market rate.

### v. Price risk

Commodity price risks fluctuation in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to paper industries, whereby there is a regular process of negotiation /adjustment of prices on the basis of changes in commodity prices.

## 38. Capital management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

### Dividends

(a) The following dividends were declared and paid by the Company during the year:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Equity shares</b>		
Final dividend paid during the year ended 31 March 2024 of Rs. 7 per fully paid equity share (31 March 2023 of Rs. 6 per fully paid up equity share)	30.75	26.36
	<u>30.75</u>	<u>26.36</u>

(b) Dividends

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities:

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Equity shares</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs.8/- per fully paid equity share (31 March 2023: Rs.7/-). This proposed dividend is subject to the approval of shareholders in the ensuing general meeting.	35.14	30.75

## 39. Related Party Disclosures

### (A) Related Party Names

(a) Related parties where control exists

i) Ultimate Holding Company

Voith Paper Holding GmbH & Co. KG, Germany (Holds 100% Equity of VP Auslandsbeteiligungen GmbH)

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### ii) Holding Company

VP Auslandsbeteiligungen GmbH, Germany

### (b) Fellow subsidiaries

Voith US Inc., U.S. | "VPFY"

Voith US Inc., U.S. | "VPFS"

J.M. Voith SE & Co. KG, Germany | "DSG"

Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia | "VPFI-SU"

Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia | "VPFI"

J M Voith SE & Co. KG, Germany | "VPEZ"

Voith Paper Technology (India) Private Limited, India | "VPMP"

Voith Paper Fabric & Roll Systems Inc. (Wilson), United State of America

J M Voith SE & Co. KG, Germany | "VPH"

Voith Austria GmbH, Austria | "VPRW"

Voith Austria GmbH, Austria | "VPFF"

Voith Paper Fabrics Högsjö AB, Sweden | "VPHS"

Voith Paper Fabrics Waycross, LLC, USA | "VPFX"

PT. Voith Paper Rolls Indonesia, Indonesia | "VPRK"

Voith Paper (China) Co., Ltd., China | "VPFC"

Voith Austria GmbH, Austria | "VPRL"

Voith Paper Fabrics BV, Netherland | "VPHN"

Voith Digital Solutions India Private Ltd., India | "DSI"

Voith Paper Ltd, Manchester, U.K. | "VPMA"

Voith Paper Fabrics S.A., Spain | "VPFG"

Voith Canada Inc., Canada | "VPFO"

Voith Paper (China) Co., Ltd. | "VPC"

Voith Turbo Private Limited, India | "VTIP"

Voith Paper Argentina S.A., Argentina | "VPBU"

Voith Paper Máquinas e Equipamentos Ltda., Brazil | "VPP"

Voith US Inc., U.S. | "VPFL"

Voith Paper Chile SpA, Chile | "VPCL"

J.M. Voith SE & Co. KG, Germany | "VZS"

Voith US Inc., U.S. | "VPFM"

Voith Hydro Private Limited, India | "VHN"

### (c) Key Management Personnel

R. Krishna Kumar, Managing Director

Kalyan Dasgupta, Financial Controller

C. S. Gugliani, Company Secretary

Ravinder Nath

Surinder Kumar Nagpal

Benno Edmund Morlock

Deepti Gupta

Shahana Basu

Pallavi Dinodia Gupta

### (d) Others:

VPFIL Employees' Provident Fund Trust

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### (B) Related Party Transactions

S. No.	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1	<b>Transactions with Holding Company</b>		
	Payment of Dividend (Gross)	22.77	19.51
		<u>22.77</u>	<u>19.51</u>
2	<b>Transactions with Fellow Subsidiaries</b>		
i)	<b>Sale of goods</b>		
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia   "VPFI-SU"	32.89	23.30
	J M Voith SE & Co. KG, Germany   "VPEZ"	77.73	108.94
	Voith Paper Technology (India) Private Limited, India   "VPMP"	-	8.49
	Voith Canada Inc., Canada   "VPFO"	3.65	4.50
	Voith US Inc., U.S.   "VPFS"	63.70	12.78
	Voith Paper Argentina S.A., Argentina   "VPBU"	1.68	3.27
	Voith Paper Chile SpA, Chile   "VPCL"	3.02	23.17
	J M Voith SE & Co. KG, Germany   "VPH"	1.87	-
	Voith Paper Máquinas e Equipamentos Ltda., Brazil   "VPP"	2.99	2.08
		<u>187.53</u>	<u>186.53</u>
ii)	<b>Sale of semi-finished goods</b>		
	Voith US Inc., U.S.   "VPFL"	2.52	-
		<u>2.52</u>	<u>-</u>
iii)	<b>Sale of services</b>		
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia   "VPFI-SU"	2.75	1.52
	Voith Austria GmbH, Austria   "VPRW"	2.29	0.78
	PT. Voith Paper Rolls Indonesia, Indonesia   "VPRK"	4.81	3.31
		<u>9.85</u>	<u>5.61</u>
iv)	<b>Sale of raw material</b>		
	Voith Paper Fabrics Högsjö AB, Sweden   "VPHS"	0.26	-
		<u>0.26</u>	<u>-</u>
v)	<b>Reimbursement of loss on sale of capital Goods</b>		
	Voith US Inc., U.S.   "VPFM"	8.79	-
		<u>8.79</u>	<u>-</u>
vi)	<b>Lease rent income</b>		
	Voith Paper Technology (India) Private Limited, India   "VPMP"	9.00	9.22
		<u>9.00</u>	<u>9.22</u>
vii)	<b>Purchase of materials &amp; stores</b>		
	Voith Austria GmbH, Austria   "VPFF"	2.26	5.08
	Voith US Inc., U.S.   "VPFY"	41.45	30.15
	Voith Paper (China) Co., Ltd., China   "VPFC"	26.05	28.58
	Voith Paper Fabrics Waycross, LLC, USA   "VPFX"	-	0.05

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Voith Austria GmbH, Austria   "VPRL"	-	0.58
		<u>69.76</u>	<u>64.44</u>
viii)	<b>Purchase of traded goods</b>		
	Voith Paper (China) Co., Ltd., China   "VPFC"	95.38	67.36
	Voith Austria GmbH, Austria   "VPFF"	25.53	18.89
	Voith Paper Fabrics BV, Netherland   "VPHN"	-	2.16
	J M Voith SE & Co. KG, Germany   "VPH"	14.36	12.93
	Voith Paper Fabrics Högsjö AB, Sweden   "VPHS"	22.16	34.02
	Voith Austria GmbH, Austria   "VPRL"	6.51	-
	Voith Paper (China) Co., Ltd.   "VPC"	3.29	-
	Voith Austria GmbH, Austria   "VPRW"	0.37	-
	Voith Paper Fabrics S.A., Spain   "VPFG"	2.23	2.09
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia   "VPFI"	42.80	29.98
		<u>212.63</u>	<u>167.43</u>
ix)	<b>Purchase of capital goods &amp; services</b>		
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia   "VPFI"	-	3.35
	Voith Austria GmbH, Austria   "VPRL"	0.74	-
		<u>0.74</u>	<u>3.35</u>
x)	<b>Technical know-how fees/Royalty</b>		
	J M Voith SE & Co. KG, Germany   "VPEZ"	72.69	70.96
		<u>72.69</u>	<u>70.96</u>
xi)	<b>Communication expenses</b>		
	J.M. Voith SE & Co. KG, Germany   "DSG"	13.46	11.62
	Voith Digital Solutions India Private Ltd., India   "DSI"	0.42	0.47
		<u>13.88</u>	<u>12.09</u>
xii)	<b>Training expenses</b>		
	J.M. Voith SE & Co. KG, Germany   "VZS"	-	0.03
		<u>-</u>	<u>0.03</u>
xiii)	<b>Reimbursement of expenses from related parties</b>		
	Voith Paper Technology (India) Private Limited, India   "VPMP"	8.25	4.34
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia   "VPFI-SU"	1.62	1.05
	J M Voith SE & Co. KG, Germany   "VPH"	3.24	-
	Voith US Inc., U.S.   "VPFS"	0.07	0.05
	Voith Turbo Private Limited, India   "VTIP"	0.06	-
	Voith Digital Solutions India Private Ltd., India   DSI	0.05	-
	Voith US Inc., U.S.   "VPFM"	1.58	-
	J M Voith SE & Co. KG, Germany   "VPEZ"	0.32	-
	Voith Hydro Private Limited, India   "VHN"	0.09	-
		<u>15.28</u>	<u>5.44</u>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	<b>xiv) Reimbursement of expenses to related parties</b>		
	Voith Paper Technology (India) Private Limited, India   "VPMP"	7.38	5.18
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia   "VPFI"	-	0.57
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia   "VPFI-SU"	-	0.09
	Voith Austria GmbH, Austria   "VPFF"	-	1.11
	Voith Paper Fabrics Waycross, LLC, USA   "VPFX"	-	0.23
	Voith Paper Fabrics Högsjö AB, Sweden   "VPHS"	-	1.00
	Voith Paper Fabrics BV, Netherland   "VPHN"	-	0.14
	Voith Paper Fabrics S.A., Spain   "VPFG"	-	0.08
	J M Voith SE & Co. KG, Germany   "VPEZ"	-	7.25
	Voith Paper (China) Co., Ltd., China   "VPFC"	-	3.01
	J M Voith SE & Co. KG, Germany   "VPH"	-	0.28
	Voith US Inc., U.S.   "VPFM"	0.08	-
	Voith Turbo Private Limited, India   "VTIP"	0.07	-
		<u>7.53</u>	<u>18.94</u>
<b>3</b>	<b>Transactions with Key Management Personnel</b>		
	<b>i) Short term employee benefits</b>		
	R. Krishna Kumar	23.68	18.43
	Kalyan Dasgupta	7.65	6.30
	C.S. Gugliani	3.36	2.79
		<u>34.69</u>	<u>27.52</u>
	<b>ii) Post-employment benefits</b>		
	R. Krishna Kumar	0.98	0.90
	Kalyan Dasgupta	0.23	0.30
	C.S. Gugliani	0.20	0.11
		<u>1.41</u>	<u>1.31</u>
	<b>iii) Other long term benefits</b>		
	R. Krishna Kumar	0.71	0.32
	Kalyan Dasgupta	0.04	0.35
	C.S. Gugliani	0.14	0.06
		<u>0.89</u>	<u>0.73</u>
	<b>iv) Reimbursement of expenses to related parties</b>		
	R. Krishna Kumar	0.27	0.52
	C.S. Gugliani	0.14	-
		<u>0.41</u>	<u>0.52</u>
<b>4</b>	<b>Transactions with Others</b>		
	<b>i) Contribution by the Company</b>		
	VPFIL Employees' Provident Fund Trust	4.68	7.42
		<u>4.68</u>	<u>7.42</u>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
ii)	<b>Directors' sitting fees</b>		
	Ravinder Nath	0.28	0.39
	Surinder Kumar Nagpal	0.39	0.51
	Shahana Basu	-	0.04
	Pallavi Dinodia Gupta	0.42	0.32
	Deepti Gupta	0.49	0.53
		<u>1.58</u>	<u>1.79</u>

### (C) Related Parties' Year End Balances

		For the year ended 31 March 2024	For the year ended 31 March 2023
1	<b>Amount Outstanding - Fellow Subsidiaries</b>		
i)	<b>Trade Receivable</b>		
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia   "VPFI-SU"	1.92	2.09
	J M Voith SE & Co. KG, Germany   "VPEZ"	8.39	6.45
	Voith US Inc., U.S.   "VPFS"	22.86	0.65
	Voith US Inc., U.S.   "VPFL"	2.53	-
	Voith Paper Technology (India) Private Limited, India   "VPMP"	4.40	7.14
	Voith Austria GmbH, Austria   "VPRW"	0.55	0.41
	Voith Paper Fabrics Högsjö AB, Sweden   "VPHS"	0.26	-
	Voith Paper Máquinas e Equipamentos Ltda., Brazil   "VPP"	0.79	-
	Voith Paper Argentina S.A., Argentina   "VPBU"	-	3.34
	PT. Voith Paper Rolls Indonesia, Indonesia   "VPRK"	2.42	2.11
		<u>44.12</u>	<u>22.19</u>
ii)	<b>Trade Payable (including capital creditors)</b>		
	Voith Paper Fabrics Ipoh Sdn. Bhd., Malaysia   "VPFI"	9.07	1.48
	Voith Paper Fabrics Asia Pacific Sdn. Bhd., Malaysia   "VPFI-SU"	-	0.09
	Voith Paper (China) Co., Ltd., China   "VPFC"	1.69	11.19
	J.M. Voith SE & Co. KG, Germany   "DSG"	1.08	0.97
	Voith Digital Solutions India Private Ltd., India   "DSI"	0.13	0.11
	Voith Paper Technology (India) Private Limited, India   "VPMP"	6.38	1.26
	J M Voith SE & Co. KG, Germany   "VPH"	-	4.77
	Voith Austria GmbH, Austria   "VPFF"	1.59	6.62
	J M Voith SE & Co. KG, Germany   "VPEZ"	-	32.62
	Voith Paper Fabrics Högsjö AB, Sweden   "VPHS"	-	11.12
	Voith US Inc., U.S.   "VPFY"	21.97	13.76
	Voith Paper Fabrics S.A., Spain   "VPFG"	2.17	2.11
	Voith Paper Fabrics Waycross, LLC, USA   "VPFX"	0.32	0.31
		<u>44.40</u>	<u>86.41</u>

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
iii) Other liabilities (Security Deposit)		
Voith Paper Technology (India) Private Limited, India	1.50	1.50
Less: unwinding of discount on security deposit	(0.15)	(0.22)
	<u>1.35</u>	<u>1.28</u>
iv) Other liabilities (Royalty Payable)		
J M Voith SE & Co. KG, Germany   "VPEZ"	32.53	-
	<u>32.53</u>	<u>-</u>
v) Other receivable		
J M Voith SE & Co. KG, Germany   VPH	3.27	-
	<u>3.27</u>	<u>-</u>
2 Amount Outstanding - Key Management Personnel		
i) Remuneration payable		
R. Krishna Kumar	0.44	5.26
Kalyan Dasgupta	0.27	1.02
C.S. Gugliani	0.08	0.27
	<u>0.79</u>	<u>6.55</u>
ii) Reimbursement of expenses		
C.S. Gugliani	0.02	-
R. Krishna Kumar	0.15	-
	<u>0.17</u>	<u>-</u>
3 Amount Outstanding - Others		
i) Contribution payable		
VPFIL Employees' Provident Fund Trust	1.10	4.30
	<u>1.10</u>	<u>4.30</u>

### 40. Contingent liabilities to the extent not provided for:

#### Labour case:

15 ex-contractual employees had filed a case against the Company under Industrial Tribunal cum Labour Court II, Haryana. The dispute pertains to reinstatement of these employees with continuity of service, full back wages and all consequential benefits since the date of termination. The labour court had decided the case in favour of the ex-contractual employees. The Company had filed a writ petition in High Court (Punjab & Haryana) based on a legal opinion sought in the matter. 8 ex- contractual employees out of the above filed an appeal for the execution of the labour court award order decided earlier. The Hon'able High Court (Punjab & Haryana) passed a stay order in notice of the Civil Court, Faridabad but the application against implementation of Labour Court Award was dismissed for stay on the ground that the stay order by the High Court pertains to criminal prosecution and not the civil execution of the Award. 8 ex- contractual employees have been directed by the Civil Court, Faridabad to file fresh applications as per the prescribed format after objections raised by Company's legal counsel. The Company's legal counsel has again filed objections against the revised applications submitted by 8 ex- contractual employees and now the same is pending for arguments. The Civil Judge, Jr. Division has appointed Commissioner to calculate back wages of 8 ex- contractual employees and Commissioner has submitted report to the Civil Judge to which both the parties have filed their objections, which is now pending for final order. Further, the Company's civil writ petition before the High Court was dismissed in August, 2020. The company has filed Letter Patent Appeal against the dismissal before the Double bench of the High Court on 8 September 2020 and 25 October 2020. Based on the order of the Hon'able High Court, the Company has issued cheques to workers under section 17-B of Industrial Disputes Act, 1947 amounting to Rs. 0.40 million. Based on the opinion from legal consultants, the Company is of the view that the likelihood of potential favorable judgement in the Company's favour is probable. Further, the financial implications can't be quantified in this case and will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

Further, the Company has also certain other labour cases for which the liability is not ascertainable and the Company is of the view that the likelihood of potential favorable judgement in the Company's favour is probable.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decision pending with various forum/ authorities. The Company does not expect any reimbursement in respect of the above contingent liability.

### Provident Fund

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of Supreme Court order.

### 41. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 159.25 million (31 March 2023 : Rs. 217.65 million)

### 42. Corporate Social Responsibility (CSR) Expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1. Amount required to be spent by the company during the year	7.94	7.35
2. Amount of expenditure incurred on:		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (a) above*	7.94	7.35
3. Shortfall at the end of the year*	-	-
4. Total of previous year shortfall*	-	-
5. Reasons of shortfall*	-	-
6. Nature of CSR activities	Healthcare, Education, Eradication of Hunger and Women Empowerment, gender equality	
7. Detail of related party transactions in relation to CSR expenditure as per relevant accounting standard	-	-

\*The Company has contributed INR 7.94 million to various parties for the CSR expenditure. The said amount has been utilised by the aforesaid parties by 31 March 2024.

Note: The Company had contributed INR 6.89 million to various parties for the CSR expenditure for the year ended 31 March 2022. Out of the said amount, INR 2.11 million had remain unutilised by the aforesaid parties as on 31 March 2022 and the same was utilised in the financial year 2022-23.

### 43. Hedging and derivative instruments:

i) The Company uses foreign exchange forward contracts to selectively hedge its exposure. These derivative instruments are not used for speculative or trading purposes.

#### a) Forward contract outstanding

Purpose	Currency hedged	As at 31 March 2024	
		(in original currency)	(in Million Rupees)
Trade payable	USD	3,52,948	29.43
Trade payable	EUR	67,687	6.10
Creditor for capital goods	EUR	48,036	4.33
Against open purchase orders	USD	1,93,529	16.14
Against open purchase orders	EUR	45,575	4.11

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

Purpose	Currency hedged	As at 31 March 2023	
		(in original currency)	(in Million Rupees)
Trade payable	USD	2,24,779	18.48
Trade payable	EUR	1,03,312	9.24
Trade receivable	USD	36,504	3.00
Against open purchase orders	USD	1,39,631	11.48
Against open purchase orders	EUR	2,92,058	26.11
Against open purchase orders	CNY	2,84,455	3.40
Against open sale orders	USD	2,37,239	21.21

b) Foreign currency exposure not hedged by forward contracts

Purpose	Currency	As at 31 March 2024	
		(in original currency)	(in Million Rupees)
Trade payable	EUR	53,602	4.83
Trade payable	USD	1,48,844	12.41
Trade payable	SEK	4,25,166	3.33
Trade payable	CHF	20	-
Creditor for capital goods	EUR	6,94,449	62.60
Open purchase orders	EUR	20,02,670	180.51
Open purchase orders	USD	6,30,110	52.54
Open purchase orders	CHF	4,459	0.41
Open purchase orders	SEK	48,941	0.38
Open purchase orders	CNY	21,24,015	24.50
Trade receivable	EUR	1,23,140	11.10
Trade receivable	USD	4,19,630	34.99
Other assets	EUR	36,332	3.27
Open sales orders	USD	7,33,973	61.19
Open sales orders	EUR	4,63,253	41.76
Open sales orders	MYR	2,446	0.04
Cash & cash equivalents	USD	83,608	6.97

Purpose	Currency	As at 31 March 2023	
		(in original currency)	(in Million Rupees)
Trade payable	EUR	1,26,890	11.34
Trade payable	USD	6,06,185	49.83
Trade payable	SEK	1,17,121	0.93
Trade payable	CHF	20	-
Trade payable	CNY	1,11,826	1.34
Creditor for capital goods	EUR	746	0.07
Open purchase orders	EUR	35,74,122	319.52

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

Purpose	Currency	As at 31 March 2023	
		(in original currency)	(in Million Rupees)
Open purchase orders	USD	10,26,520	84.39
Open purchase orders	JPY	40,61,000	2.51
Open purchase orders	NOK	69,133	0.54
Open purchase orders	SEK	52,375	0.42
Open purchase orders	CNY	8,06,580	9.64
Trade receivable	EUR	1,37,627	12.30
Trade receivable	USD	63,982	5.26
Open sales orders	USD	6,00,617	49.37
Open sales orders	EUR	4,08,292	36.50
Open sales orders	MYR	41,280	0.77
Open sales orders	CAD	17,725	1.08
Cash & cash equivalents	USD	90,336	7.43
Cash & cash equivalents	EUR	34,320	3.07

- ii) Mark to market loss (gain in March 2023) amounting to Rs. 0.16 million (31 March 2023: Rs. 6.22 million) in respect of forward contracts have been accrued to the Statement of Profit and Loss. The mark to market loss (gain in March 2023) on forward contract outstanding as at 31 March 2024 is Rs. 0.16 million (31 March 2023: Rs. 0.73 million)

44. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the specified domestic transactions entered into with the specified persons and the international transactions entered into with the associated enterprises during the current financial year and expects such records to be in existence before the due date of filing of income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 45. Earning per share

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for basic and diluted earnings per share of Rs. 10 each	362.94	317.58
Weighted average number of equity shares used in computing earnings per share :		
For basic earnings per share	4.39	4.39
For diluted earnings per share	4.39	4.39
Earnings per share (Face value of Rs. 10 each)		
Basic	82.67	72.34
Diluted	82.67	72.34

### 46. Operating segment

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and the Company has only one reportable business segment i.e. manufacturing and trading of paper machine clothing for pulp, paper and board industry.

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Information about geographical areas :

The following table shows the distribution of the Company's operating revenue by geographical location of customers, regardless of where the goods were produced/services were rendered from:

(a) Revenues by geography\*

	For the year ended 31 March 2024	For the year ended 31 March 2023
India	1,533.04	1,402.43
Outside India	263.13	241.26
<b>Total</b>	<b>1,796.17</b>	<b>1,643.69</b>

\*Disclosure relating to revenues by geography has been made with respect to location of customers.

(b) The carrying amounts of all non-current segment assets of the Company is located within India.

(c) There is no customer which constitute 10% or more of total revenue of the Company.

### 47. Additional Regulatory Information

#### Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	% variance	Reason for variance
Current Ratio (in times)	Total current assets	Total current liabilities	7.75	8.51	-8.93%	
Debt-equity ratio* (in times)	Total debt	Total equity	N.A.	N.A.	N.A.	
Debt service coverage ratio (in times)	Earnings available for debt service = Loss for the year + non-cash operating expenses + interest + other non-cash adjustments	Debt service = Interest + Lease Payments + Principal repayments	561.13	-	0.00%	
Return on equity ratio (in %age)	Profit for the year	Average total equity**	11.00%	11.00%	0.00%	
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory**	1.84	1.91	-3.66%	
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables**	7.27	7.14	1.82%	
Trade payables turnover ratio (in times)	Cost of material consumed + Other expenses	Average trade payables**	4.60	4.69	-1.92%	
Net capital turnover ratio (in times)	Revenue from operations	Working capital = Total current assets - Total current liabilities	0.76	0.74	2.70%	
Net profit ratio (in %age)	Profit for the year	Revenue from operations	20.00%	19.00%	5.26%	
Return on capital employed (in %age)	Profit before tax and finance cost	Capital employed = Net worth + Deferred tax liabilities + Lease liabilities	13.77%	13.53%	1.77%	
Return on investment (in %age)	Income generated from invested funds	Average investments**	N.A.	N.A.	N.A.	

\*The Company does not have any debts

\*\*Average = (Opening + Closing) / 2

## Notes to the Financial Statements for the year ended 31 March 2024

(All amounts are in Rs. Million, unless otherwise stated)

### 48. Other statutory information :

- (i) The Company do not have any transactions with companies struck off.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (iv) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (ix) The company has no borrowings from banks and financial institutions on the basis of security of current assets.
- (x) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (xi) The company has complied with the number of layers prescribed under the Companies Act, 2013
- (xii) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (xiii) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

**For B S R & Co. LLP**  
ICAI Firm Registration Number: 101248W/W-100022  
**Chartered Accountants**  
Ankush Goel  
**Partner**  
Membership No. 505121

Place : New Delhi  
Dated : 28 May 2024

**For and on behalf of the Board of Directors of  
Voith Paper Fabrics India Limited**

S.K.Nagpal  
**Director**  
DIN : 01171148  
Deepti Gupta  
**Director**  
DIN : 08481203  
Pallavi D. Gupta  
**Director**  
DIN : 06566637

Place : New Delhi  
Dated : 28 May 2024

R. Krishna Kumar  
**Managing Director**  
DIN : 05344619  
Kalyan Dasgupta  
**Finance Controller**  
CMA No. : 25152  
C.S. Gugliani  
**Company Secretary**  
FCS No. : 4301

## NOTICE

Notice is hereby given that the **Fifty-fourth Annual General Meeting** of the members of **Voith Paper Fabrics India Limited** will be held on **Friday, 9<sup>th</sup> August, 2024** at **3:30 p.m.** IST, through Video Conferencing (VC) and/or Other Audio Visual Means (OAVM) at the deemed venue, at the Registered Office of the Company at 113/114-A, Sector-24, Faridabad - 121005, Haryana, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024, together with the reports of the Board of Directors and Auditor's thereon.
2. To declare a dividend.
3. To consider the re-appointment of Mr. R. Krishna Kumar (DIN: 05344619) as a Director, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. Confirmation of continuation of Mr. Benno Edmund Morlock (DIN: 08276536) as a Non-Executive Director.

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

**"RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 and Regulation 17(1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendations of the Nomination and Remuneration Committee, as well as the Board of Directors of the Company, consent of shareholders of the Company be and is hereby accorded for the continuation of Mr. Benno Edmund Morlock (DIN: 08276536) as a Director, designated as Non-Executive Chairman of the Board of Directors of the Company not liable to retire by rotation, as nominated by the Holding Company - VP Auslandsbeteiligungen GmbH."

5. Continuation of Mr. R. Krishna Kumar (DIN: 05344619) as the Managing Director.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the shareholders of the Company be and is hereby accorded for the re-appointment of Mr. R. Krishna Kumar (DIN: 05344619) as Managing Director of the Company, for a further period of 5 (five) years with effect from 1<sup>st</sup> August, 2024 till 31<sup>st</sup> July, 2029 and he be paid remuneration as set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter and vary the terms and conditions of appointment of Mr. R. Krishna Kumar, on the recommendation of Nomination and Remuneration Committee, as it may, in its discretion deem fit in accordance with the relevant provisions of the Companies Act, 2013 and Schedule V attached thereto or any statutory amendment(s) thereof.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the aforesaid period, Mr. R. Krishna Kumar shall be entitled to minimum remuneration as set out in the explanatory statement."

6. Approval of Material Related Party Transactions.

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

**"RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time, and the Company's Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise the powers conferred by this Resolution) to continue with the existing contract(s)/arrangement(s)/transaction(s) and/or enter into and/or carry out new contract(s)/arrangement(s)/transaction(s) during the financial year 2024-25 (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with JM Voith SE & Co. KG up to an aggregate value up to 20% (Twenty Percent) of the turnover of financial year 2023-24 of the Company; and with Voith Paper (China) Co. Ltd. up to an aggregate value up to 15% (Fifteen Percent) of the turnover of financial year 2023-24 of the Company, both being fellow subsidiary and accordingly related party of the Company under Regulation 2(1)(zb) of SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and the respective related party; for the sale, purchase of goods, material, services and other business transaction(s), subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm's length and in the ordinary course of business of the Company as mentioned in the explanatory statement annexed herewith.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ agreements/ transactions, settle all queries, difficulties, doubts that may arise in this regard, as they may in their sole and absolute discretion deem

fit or expedient, file requisite forms with regulatory authorities and to do or cause to be done all such acts, deeds, matters and things as may be necessary and appropriate and to delegate all or any of its powers herein conferred to any person(s), to give effect to this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**Registered Office:**

113/114-A, Sector - 24,  
Faridabad - 121005 (Haryana) Delhi NCR, India.  
CIN: L74899HR1968PLC004895  
Telephone: +91 129 4292200; Fax: +91 129 2232072  
Website: [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com), E-mail: [investorcare.vffa@voith.com](mailto:investorcare.vffa@voith.com)  
Place: New Delhi  
Date: 28<sup>th</sup> May, 2024

By Order of the Board  
For Voith Paper Fabrics India Limited

C. S. Gugliani  
Company Secretary  
FCS No. 4301

**NOTES:**

1. In continuation to all previous circulars issued by the regulatory authorities, and pursuant to latest Circular No. 09/2023 dated September 25, 2023 issued by Ministry of Corporate Affairs (MCA) & SEBI Circular dated October 7, 2023 in this regard, Companies have been permitted to hold their Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. HENCE, THE 54<sup>th</sup> AGM OF THE COMPANY IS BEING HELD THROUGH VC/OAVM AND CONSEQUENTLY THE MAP TO REACH THE AGM VENUE IS NOT BEING SENT ALONG WITH THIS NOTICE.
2. NORMALLY, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED / ELIGIBLE TO APPOINT A PROXY, TO ATTEND AND VOTE ON HIS/ HER BEHALF AT THE AGM, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY (AS PER SECTION 105 OF COMPANIES ACT, 2013). SINCE THE AGM IS BEING HELD PURSUANT TO MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE ATTENDANCE SLIP AND PROXY FORM ARE NOT ANNEXED TO THIS NOTICE.
3. As per Section 103 of the Companies Act, 2013, participation of members through VC/OAVM will be considered for ascertaining the quorum at the AGM.
4. Corporate members are requested to send a duly certified copy of the Board Resolution / Authorization Letter to the Company or upload the same on VC Portal / e-voting portal, authorizing their Representatives to attend and vote at the AGM being convened through VC/OAVM.
5. An explanatory statement pursuant to Section 102 of Companies Act, 2013 relating to the special business items to be transacted at AGM is annexed.
6. The necessary disclosures required to be made under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors who are proposed to be re/appointed at the forthcoming AGM of the Company, are appearing in the 'Board's Report'; and details of their shareholding are as follows:-

Name of the Director	Shares of the Company held in own name	Shares of the Company held by relatives	Shares of the Company held by/for any other person on a beneficial basis	Aggregate shareholding in the Company
Mr. Benno Edmund Morlock	NIL	NIL	NIL	NIL
Mr. R. Krishna Kumar	NIL	NIL	NIL	NIL

7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 27<sup>th</sup> July, 2024 to Friday, 9<sup>th</sup> August, 2024 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
8. The Dividend as recommended by the Board of Directors, if approved by the members at AGM, would be paid electronically through various online transfer modes to those members who have updated their bank account details with the Company or its RTA and whose name would appear in the Register of Members as at Friday, 9<sup>th</sup> August, 2024. In respect of shares held in dematerialized mode, dividend would be paid to the beneficial owners of shares as at the end of business hours on Friday, 26<sup>th</sup> July, 2024 as per details furnished by the depositories for this purpose.

For members whose bank details are not updated and/or to whom the electronic payment of dividend could not be made successfully, necessary dividend warrants / demand drafts / cheques would NOT be sent in pursuance of instructions/clarifications from SEBI in this

regard. Hence, shareholders are advised to kindly update their NECS Mandates with the Company/RTA (for shares held in physical mode) or the Depository Participant (for shares held in demat mode) at the earliest.

Accordingly, the members are advised to always keep their bank account details updated with either their depository participant (where the shares are held in demat mode) or with the RTA (where shares are held in physical mode) of the Company - MCS Share Transfer Agent Limited, New Delhi, to receive the dividend directly in their designated bank account.

9. Members may also take note that dividend income is now taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from the dividend paid to the members at relevant rates as provided in the applicable provisions of the Income Tax Act, 1961, as amended, in accordance with the conditions specified therein. However, no tax shall be deducted at source on dividend payable to a resident individual, if the total dividend to be received by them during the financial year 2024-25 does not exceed Rs. 5,000/- and also where a member has provided the Form 15G / Form 15H (applicable to individuals aged 60 years or above), subject to conditions specified in the Income Tax Act, 1961, in this regard.
10. In pursuance of NSDL Circular No. NSDL/CIR/II/03/2023 dated January 11, 2023, resident non-individual members such as Insurance Companies, Mutual Funds, Alternative Investment Fund (AIF) and other Domestic Financial Institutions established in India and non-resident non-individual members such as Foreign Portfolio Investors may submit the relevant form, declarations and documents through their respective custodians who are registered with NSDL for tax services, at the online platform provided by NSDL, in order to determine the applicability and rate of TDS in respect of dividend.
11. **Members holding shares in physical form are requested to promptly notify the change in their respective address and/or their NECS/ bank details, including PAN, KYC and Nomination details etc. always updated with the RTA of the Company.**
12. **Members holding shares in electronic / dematerialized mode are requested to notify the change, if any, in their respective address and/or their NECS / bank details, to their respective Depository Participant (DP) and not to the Company or RTA.**
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com). **It may be noted that any service request can only be processed after the folio is fully KYC compliant.** SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
15. Members are requested to note that the equity shares of the Company are compulsorily traded in dematerialized form. Members are therefore advised to immediately dematerialize their shareholding to avoid any inconvenience in future. Members may also kindly note that the SEBI vide amendment in the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has mandated that the transfer of securities would be carried out in dematerialized form only with effect from 1<sup>st</sup> April, 2019.
16. In order to render better and efficient service, we request you to consolidate the multiple folios existing in the same name and in identical order. Please note that consolidation of folios does not amount to transfer of shares and therefore, no stamp duty will be payable for the same. In case you wish to consolidate your folios, kindly forward your request along with the relevant share certificates to the company or its RTA, MCS Share Transfer Agent Limited, New Delhi.
17. Pursuant to Section 124 of the Companies Act, 2013, unpaid/unclaimed dividends up to the financial year 2015-16, stand transferred to the Investor Education and Protection Fund (IEPF) as at the end of year under review. Besides the dividend so transferred, Company has also transferred relevant shares to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed from the IEPF Authority in accordance with the applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder, by following the prescribed procedure in this regard, by making an online application to IEPF Authority in e-form IEPF-5 available at [www.iepf.gov.in](http://www.iepf.gov.in) and by submitting certified copy of all relevant documents to the Company.
18. Vide the Master Circular (dated 17th May, 2023) for Registrars to an Issue and Share Transfer Agent, SEBI has simplified the procedure for updating of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, etc.), Nomination details, Bank details and Specimen signature by all holders of securities in physical mode with the Company/RTA. **However, Members holding shares in electronic mode are requested to submit / update these details with the Depository Participants with whom they are maintaining their demat accounts.**

On or after 1<sup>st</sup> October, 2023, in case any of the above cited documents/ details are not available in respect of physical Folio(s), no service requests or complaints received from a member, will be processed by RTA till the aforesaid details/ documents are

provided to RTA. Relevant details and forms prescribed by SEBI in this regard are available on the website of Company at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

19. Electronic copy of the Annual Report for the year ended 31<sup>st</sup> March, 2024 along with the Notice of the 54<sup>th</sup> Annual General Meeting of the Company is being sent to all the members whose email IDs are registered with RTA/Depository Participants. Please be informed that as per the Circular / Notification issued by MCA / SEBI in this regard, this year also the companies are not required to send physical copy of the Annual Report for the financial year 2023-24 to the shareholders, unless specifically asked.

Accordingly, a member desirous of obtaining hard copy of the Annual Report for the financial year 2023-24 together with the Notice of 54<sup>th</sup> Annual General Meeting of the Company, may send a request to the Company in this regard, mentioning their Folio No./DP ID and Client ID.

20. Members may further note that the Notice of 54<sup>th</sup> Annual General Meeting and the Annual Report for the year ended 31<sup>st</sup> March, 2024 will also be available on the Company's website [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com). These can also be accessed on the website of BSE Limited, [www.bseindia.com](http://www.bseindia.com) and website of CDSL (agency for providing Remote e-voting facility and e-voting facility during the AGM), at [www.evotingindia.com](http://www.evotingindia.com) for their reference.

21. Members wishing to seek further information or clarification on the Financial Statements or operations of the Company at the Meeting are requested to send their queries, **at least 15 days before the date of the Meeting**, addressed to the Company Secretary at the registered office of the Company. Such questions by the members shall be taken up during the meeting.

22. **Members must always mention their Folio No. or DPID & Client ID Number in all correspondence with the Company or the RTA.**

23. **CDSL e-Voting System – For Remote E-voting; E-voting during AGM and joining Virtual Meeting**

- a. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022, as well as Circular No. 10/2022 dated December 28, 2022 and MCA Circular No. 09/2023 dated September 25, 2023 & SEBI Circular dated October 7, 2023. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 (as amended), and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); and aforesaid Circulars issued by Regulatory Authorities, the Company is providing facility of remote E-voting to its Members in respect of business to be transacted at the AGM. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL), for facilitating voting through electronic means, as the authorized E-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c. The Members can join the AGM in the VC/OAVM mode **30 minutes before and 15 minutes after** the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. **The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis.** This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- g. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 02/2021 dated January 13, 2021 MCA Circular No. 21/2021 dated December 14, 2021, MCA Circular No. 02/2022 dated May 05, 2022; MCA Circular No. 10/2022 dated December 28, 2022 and MCA Circular No. 09/2023 dated September 25, 2023.
- h. The Board of Directors has appointed M/s. P.C. Jain & Co., Company Secretaries, Faridabad, (FCS No.: 4103; CP No.: 3349) as the Scrutinizer for conducting the E-voting process in fair and transparent manner.

- i. The remote E-voting Facility will be available during the following voting period after which the portal will be blocked and shall not be available for E-voting. Once the vote on the resolution is cast by any member, he/she shall not be allowed to change it subsequently.

Commencement of Remote E-voting	Tuesday, 6 <sup>th</sup> August, 2024, at 9:00 a.m.
End of Remote E-voting	Thursday, 8 <sup>th</sup> August, 2024, at 5:00 p.m.

- j. **The cut-off date (record date) for the purpose of E-voting is, Friday, 2<sup>nd</sup> August, 2024.** The voting rights of members shall be in proportion to their equity shareholding in the paid up equity share capital of the company as on cut-off date.
- k. The results of remote E-voting and E-voting at the Annual General Meeting along with scrutinizers' report shall be communicated within two working days from the conclusion of 54<sup>th</sup> AGM of the Company, to the Stock Exchange (BSE Limited) and shall also be placed on the website of the Company viz. [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com).

## THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING & E-VOTING DURING AGM AND JOINING VIRTUAL MEETING THROUGH VC/OAVM ARE AS UNDER:

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

- i. **The voting period begins on 06/08/2024 at 09:00 a.m. and ends on 08/08/2024 at 05:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 2<sup>nd</sup> August, 2024, may cast their vote electronically. The remote E-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders who have already voted prior to the meeting date, would not be entitled to vote at the meeting.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

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

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

- iv. In terms of **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi Tab.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

v. Login method for e-Voting and joining virtual meeting for **physical shareholders and shareholders other than individual shareholders, holding shares in Demat form.**

- The shareholders should log on to the E-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID
  - For NSDL: 8 character DP ID followed by 8 digits Client ID
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the image verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

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

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on EVSN of "Voith Paper Fabrics India Limited".
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
13. After selecting the resolution you have to decide to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take print of the votes cast by clicking on "Click here to print" option on the voting page.
16. If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
17. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

vi. **Additional Facility for Non-individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, at the email address viz.; [corporatelegal@cspcjin.com](mailto:corporatelegal@cspcjin.com) / [fcspcjin@gmail.com](mailto:fcspcjin@gmail.com) & [investorcare.vffa@voith.com](mailto:investorcare.vffa@voith.com) respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number, at [investorcare.vffa@voith.com](mailto:investorcare.vffa@voith.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting date, mentioning their name, demat account number/folio number, email id, mobile number at [investorcare.vffa@voith.com](mailto:investorcare.vffa@voith.com). These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, 'A' Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013** or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33

Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. on Friday, 2<sup>nd</sup> August, 2024, may follow the same instructions as mentioned above for e-voting.

The result declared, along with the Scrutinizer's Report shall be placed on Company's website, [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com) within two working days of passing of the resolutions at the 54<sup>th</sup> AGM of the Company and shall also be communicated to BSE Limited - where shares of the Company are listed.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO.4:

Mr. Benno Edmund Morlock - a German National - was nominated as a Director, designated as Chairman of the Board of Directors of the Company, not liable to retire by rotation, by 'VP Auslandsbeteiligungen GmbH' (The Holding Company) in 2018, by virtue of provisions contained in the Articles of Association of the Company. Mr. Morlock has been serving as a member of the Board of Directors since then, and he is eligible to continue on the Board until he is replaced by someone else by the Holding Company.

The resolution proposed at Item No. 4 is to comply with the requirements of Regulation 17(1D) introduced with effect from 15/07/2023, by SEBI (LODR) (Second Amendment) Regulations, 2023, which stipulates that the continuation of a Director on the Board of Directors as on 31<sup>st</sup> March, 2024 without the approval of shareholders for last five years or more, shall be subject to the approval of shareholders in the first general meeting to be held after 31<sup>st</sup> March, 2024.

Mr. Morlock holds Master's Degree in Business Administration and has worked with several reputed companies, including Kodak and Heidelberger Printing Systems, at various positions. He has been associated with Voith group since 2007 and has worked as CEO for Industry and Mining Divisions. Since 2018, he is serving as the President, Business Line Fabrics and Roll Systems (FRS), a part of Voith Paper Group Division.

Accordingly, the Board of Directors recommends the Resolution for the approval of shareholders.

Mr. Benno Edmund Morlock may deem to be interested in the resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

#### ITEM NO.5:

Mr. R. Krishna Kumar holds the degree of B.E. and is an alumnus of BITS Pilani, IIM Calcutta and Harvard. He has been associated with the Company since January, 2010 in various capacities and possesses an overall experience of about 28 years.

Pursuant to recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 28<sup>th</sup> May, 2024, has approved the appointment of Mr. R. Krishna Kumar, as Managing Director of the Company for another period of five years effective from 1<sup>st</sup> August, 2024, subject to the approval of members in the General Meeting, in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI, at the following terms and conditions:

The Managing Director shall be paid the following Remuneration:

- Salary (including Basic; House Rent Allowance/Company owned or leased accommodation; Provident Fund; Gratuity; Superannuation, perquisites and allowances viz., leave travel allowance; car lease rentals; fuel reimbursements; vehicle maintenance; driving services; additional allowance; special pay; potential pay; children education allowance; management allowance etc.), medical reimbursements for self & family including dependents, not exceeding INR 4 (four) million per month, with authority to the Chairman of the Board / Nomination & Remuneration Committee to determine and regulate the remuneration within the aforesaid limit, from time to time; and
- Target Bonus / Performance Linked Reward: based on the performance, and as may be approved and decided by the Chairman of the Board / Nomination & Remuneration Committee, from time-to-time.
- Other perquisites and/or benefits: encashment of leave; employee loan; healthcare; personal accident insurance policy; health insurance policy; travel insurance; group term life insurance; club memberships; facility of mobile/telephone or any other communication devices, including telephones installed at his residence; and any other perquisite as per the prevailing policy/rules of the Company and/or as may be approved and decided by the Board of Directors / Nomination & Remuneration Committee, from time-to-time.
- Minimum Remuneration:

If in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, he shall be entitled to minimum remuneration by way of salary, perquisites, allowances as per ceilings specified under the provisions of Schedule V of the Companies Act, 2013 in this regard, for the time being in force or as may be decided by the Board of Directors.

Further, the following perquisites, which are also allowed to him, shall not be included in the computation of such ceiling limits.

- Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, as amended from time-to-time;
- Gratuity payable at a rate not exceeding half month's salary for each completed year of service; and
- Encashment of Leave.

The Board of Directors recommends the **Special Resolution** for your approval.

Mr. R. Krishna Kumar, being the appointee may deem to be interested in the resolution.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no 5.

#### ITEM NO.6:

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

However, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), approval of the members through a resolution is required for all material related party transactions, even if they are in the ordinary course of business and on arm's length basis.

With effect from April 1, 2022, Regulation 23 of SEBI Listing Regulations mandates prior approval of the Shareholders through ordinary resolution for all material Related Party Transactions. For this purpose, a Related Party Transaction will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceed Rs.1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

In the financial year 2024-25, the Related Party Transactions as mentioned below, in aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the shareholders is required for all such arrangements/ transactions to be undertaken by the Company.

The Company has in place a balanced and structured policy and process for approval of Related Party Transactions. The Policy provides the details required to be provided to the Audit Committee for the purpose of review of such transactions and grant their approval for the proposed transactions. A justification for all related party transaction is provided to the Audit Committee, enabling them to take an informed decision. Additionally, an update on the actual related party transactions entered during every quarter is also provided to the Audit Committee at its Meetings.

The majority of the Members of Audit Committee are Independent Directors, which assesses all transactions proposed for approval in an objective manner.

Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22<sup>nd</sup> November, 2021 is provided hereunder:

Sr. No.	Particulars	Details	Details
1.	Name of the Related Party	JM Voith SE & Co. KG.	Voith Paper (China) Co. Ltd.
2.	Nature of Relationship with the Company	Fellow Subsidiary	Fellow Subsidiary
3.	Type of transaction	Purchase / Sale of goods (finished and/or semi-finished); and Rendering / Receiving of services.	Purchase / Sale of goods (finished and/or semi-finished), spares / materials; and Rendering / Receiving of services.
4.	Material terms and particulars of the proposed transaction	<p>The Audit Committee and Board is periodically provided with all relevant information required under the law, including material terms &amp; conditions etc., as prescribed under the Companies Act, 2013 and rules framed thereunder, and in terms of SEBI Listing Regulations and the Company's Related Party Transaction Policy, concerning all contracts / arrangements / transactions with related parties.</p> <p>The Audit Committee, after reviewing the information placed before it, approves the transactions and forwards it to the Board with its recommendations.</p> <p>The proposed transactions, as mentioned above, shall also be reviewed/ monitored on a periodical basis by the Audit Committee/ Board of Directors of the Company and shall remain within the proposed limits being placed before the shareholders for approval. Further, specific terms and other particulars concerning the proposed transactions cannot be disclosed owing to business exigencies.</p>	
5.	Tenure of the proposed transactions	During the financial year 2024-25	
6.	Percentage of Transaction w.r.t. turnover for the immediately preceding financial year that is represented by the value of proposed transaction	Up to 20% of the turnover.  Besides the above, Royalty / Technical Know-how Fee is also being paid to the Related Party, within separate limit specified under Regulation 23(1A) of SEBI Regulations 2015, as amended.	Up to 15% of the turnover.
7.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Not Applicable	

Sr. No.	Particulars	Details	Details
	(i) Details of financial indebtedness incurred	Not Applicable	
	(ii) Applicable terms including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable	
	(iii) the purpose for which the funding will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable	
8.	Justification as to why the RPT is in the interest of the Company	<p>The Company has been buying &amp; selling goods (tailor-made finished/semi-finished); and also availing/rendering services from/to the Group Company in normal course of business, with assured quality &amp; delivery at competitive prices and at arm's length basis.</p> <p>It is expected that the transactions may increase beyond the specified limits in coming years. Accordingly, the Company seeks approval of members for continuance of the said transactions with JM Voith SE &amp; Co. KG. for the above-mentioned limit, which would ensure smooth running of operations of the Company with enhanced efficiency and productivity.</p>	<p>The Company has been buying &amp; selling goods (tailor-made finished / semi-finished), materials and spares; and also availing/ rendering services from/to the Group Company in normal course of business, with assured quality &amp; delivery at competitive prices and at arm's length basis.</p> <p>It is expected that the transactions may increase beyond the specified limits in coming years. Accordingly, the Company seeks approval of members for continuance of the said transactions with Voith Paper (China) Co. Ltd. for the above-mentioned limit, which would ensure smooth running of operations of the Company with enhanced efficiency and productivity.</p>
		<p>The Company intends to explore the opportunities available by accessing a wider customer base in foreign markets, enabling the Company to utilize its full potential in a cost effective manner. However, these markets can be accessed only through the local Voith Group Companies operating in that region. This is likely to result in increased turnover and profits for your Company.</p>	
9.	Copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable.	
10.	Any other information relevant or important for the members to take a decision on the proposed transaction	Transactions with all related parties are carried out at 'Arm's Length Basis' in 'Normal' course of business.	

The Audit Committee and Board is periodically provided with all relevant information required under the law, including material terms & conditions etc. as prescribed under the Companies Act, 2013 and rules framed thereunder; and in terms of SEBI Listing Regulations; and the Company's Related Party Transaction Policy, concerning the contracts / arrangements / transactions with related parties. The Audit Committee, after reviewing all necessary information, grants its approval and forwards the same to the Board with its recommendations. These are routine business transactions, which were hitherto carried out in accordance with the prescribed procedure of applicable laws / regulations. It is anticipated that in coming years, value of transactions with the aforesaid related parties may exceed the limits prescribed under the SEBI Regulations, hence prior approval of members of the Company is being sought for continuance of such transactions during the financial year 2024/25.

The proposed transactions shall also be reviewed/ monitored on a periodical basis by the Audit Committee/Board of Directors of the Company and shall remain within the proposed limits being placed before the shareholders for approval.

None of the Directors or Key Managerial Personnel (KMP) of the Company and/or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution proposed at Item No. 6 of the Notice.

The members may please note that in terms of the provisions of SEBI Listing Regulations, no related party (whether such related party is a party to the said transaction or not) shall vote to approve the resolution for such transactions. Accordingly, the Holding Company (VP Auslandsbeteiligungen GmbH) is not entitled to vote on the resolution set out at Item No. 6 of the Notice.

The Board recommends the resolution set out at Item No. 6 for approval by remaining shareholders, as an Ordinary Resolution.

**Registered Office:**

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Faridabad - 121005 (Haryana) Delhi NCR, India.  
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Website: [www.voithpaperfabricsindia.com](http://www.voithpaperfabricsindia.com), E-mail: [investorcare.vffa@voith.com](mailto:investorcare.vffa@voith.com)  
Place: New Delhi  
Date: 28<sup>th</sup> May, 2024

By Order of the Board  
For Voith Paper Fabrics India Limited

C. S. Gugliani  
Company Secretary  
FCS No. 4301

**Voith Paper Fabrics India Limited**

Registered Office: 113/114-A, Sector-24

Faridabad 121005 (Haryana)

Delhi NCR, India

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**VOITH**