



भारत 2023 INDIA

वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE

ANNUAL REPORT

— 2023-24 —



Troop Comforts Limited

A Govt. of India Enterprise,
Ministry of Defence



TROOP COMFORTS LIMITED



In pursuance of the Government of India decision dated 16th August 2021 to corporatize 41 Ordnance Factories under Ordnance Factory Board (OFB), Troop Comforts Limited was incorporated as one of the seven new DPSU's with 100% Central Government owned equity. With effect from 1st October, 2021 ("Appointed Date"), the management control, operations and maintenance of 04 Ordnance Factories viz. Ordnance Clothing Factory Avadi (OCFA), Ordnance Clothing Factory Shahjahanpur (OCFS), Ordnance Equipment Factory Kanpur (OEFK), and Ordnance Equipment Factory Hazratpur (OEFHZ) which are located in different geographical locations across India to cater the requirements of Indian Defence Forces including MHA forces and various State Police forces and also a Training Academy named TCL Training Academy (TCLTA) is being governed by Troop Comforts Limited, a newly carved out DPSU.

TCL deals in the manufacturing of various categories of Clothing items and accessories ranging from Uniforms, and general stores to technologically advanced products to make our Indian Armed Forces to work effectively even in the hostile environmental conditions of -50°C to +50°C (Glacier to Deserts).

TCL has vast experience of more than 160 years to serve the Indian Armed Forces by providing them with Qualitative troop comforts items with customized requirements.

TCL is involved in the manufacturing of Life Cycle Clothing (LCC), Extreme Cold Climate Items (ECC), Special Clothing & Mountaineering Equipment (SCME), Supply Drop Equipment (SDE), Water Storage Equipment, Tentages, Leather Items, Arrestor Barrier, General Stores, Ballistic Protective Gears, Vehicle Armouring and Surveillance & Logistic Drones etc. for Indian Armed forces, Paramilitary and State Police forces and also for civil sector. Further after corporatization, the Company faces various challenges which the Company tries to overcome during the current financial year.

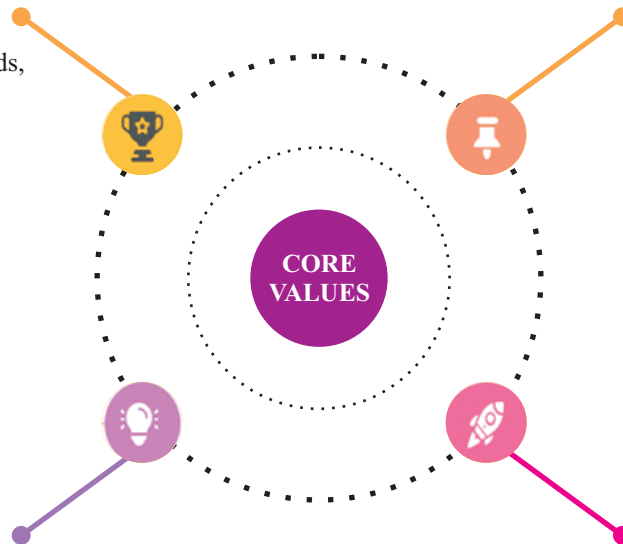
TCL CORE VALUES

CUSTOMER SATISFACTION

We are dedicated to build a long run relationship with our esteemed customers. We strive to understand our customers' needs, undertake requisite research & development initiative to deliver best quality products to fulfill their requirements.

PEOPLE & TEAM WORK

We value our people and treat each other with dignity and respect. We are striving to Make TCL a dynamic, vibrant & value-based organization with exceptionally skilled, highly motivated & committed human resource to meet the current & future challenges. We believe in the highest levels of integrity and discipline.



RESEARCH & INNOVATION

We believe in research and innovation and keen to develop new products for our esteemed customers. We are committed to strive to improvement in every aspect involved in our business with a view to achieve excellence and competitiveness.

QUALITY, TIME AND COST CONSCIOUSNESS

We are dedicated to deliver products that conform highest standard of quality, functionality, durability, reliability and maintainability. We are committed to deliver on time and at competitive price.

TCL VISION & MISSION

"To contribute to an **ATMANIRBHAR BHARAT**, that is **SELF RELIANT** in **TECHNICAL TEXTILES AND APPARELS** for our troops and billion lives."

Company Vision → 



HR Vision

Make TCL a dynamic, vibrant & value-based organization with exceptionally skilled, highly motivated & committed human resource to meet the current & future challenges.

To continuously innovate, evaluate and realign HR practices with the environment, business strategies/ directions and employee expectations to maintain relevance and to attract, nurture and retain talent.

HR Mission → 

To continuously innovate, evaluate and realign HR practices with the environment, business strategies/ directions and employee expectations to maintain relevance and to attract, nurture and retain talent.

HR STRATEGIES

Align all HR activities with the Organisation's Business Strategies

- ✓ Lead and manage organizational changes
- ✓ Institutionalization of competency-based HR Systems / Processes
- ✓ Building Employee commitment
- ✓ Building Enabling systems

Manage Attrition and Retention of Key Personnel

- ✓ Suitable reward policy
- ✓ Creation of a performance culture for nurturing key talents
- ✓ Identifying next generation leaders
- ✓ Career development programme
- ✓ Encouragement to exemplary employees

Employee Empowerment

- ✓ Build ownership
- ✓ Recognition of ideas
- ✓ Enabling Managers to take decisions within the policy framework
- ✓ Provide feedback and resolve issue

Develop Leadership Capability

- ✓ Identifying critical leadership competencies Build ownership
- ✓ Creating a context for leadership development
- ✓ Nurture leadership talent
- ✓ Put in place development systems, succession plans, training, programmes and projects, mentoring opportunities and management review teams

Develop Proactive Strategies on Employee Relations

- ✓ Fostering a culture of Discipline & Managing Discipline
- ✓ Proactive Industrial Relations (IR) Management
- ✓ Corporate Social Responsibility

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BOARD OF DIRECTORS



Shri Vijay Kumar Tiwari
Chairman & Managing Director
(Additional Charge)

Shri V K Tiwari an Indian Ordnance Factories Service (IOFS), 1987 batch officer, took over additional charge of CMD TCL w.e.f. from 01.12.2023. He is also holding the Charge of Chairman & Managing Director of Gliders India Limited since 1st October 2021.

He is Graduate in Mechanical Engineering from NIT Bhopal and Post Graduate Diploma in Computer Applications. With vast experience of BHEL Haridwar, he joined Indian Ordnance Factories Services in March 1988 and held the position as General Manager in High Explosives Factory Khadki and Ordnance Factory Bhandara. Over 35 years of work experience, he worked in the areas of Production, Quality, Maintenance, Information Technology, Production Planning, Purchase division, Engineering division etc.

His vast, rich and varied experience of working at various capacities and corporate level, will enable him in taking short term and long-term strategic decisions for the overall growth of the organization.

Dr Sanjeev Kumar Saxena an Indian Ordnance Factories Service (IOFS), 1989 batch officer, took over as Director (Finance) of TCL with effect from 15th September, 2021.

Prior to that, he was heading Materials Management & Indigenization functions at Heavy Vehicle Factory, Avadi, Chennai, under the Ordnance Factory Board. He has 31 years of experience in Defence manufacturing.

He also has rich experience at OF Board in Business Strategy, HR, R&D and Quality management functions. In addition, he was the Director at National Academy of Defence Production, Nagpur. Graduated in Mechanical Engineering from GECT, Raipur in 1986, he Post graduated (M. Tech) from IIT, Kanpur in 1988 and Post Graduate Diploma in Management from MDI, Gurgaon in 1998. He has been awarded a Doctorate in Management by BITS, Pilani in 2017.



Dr. Sanjeev Kumar Saxena
Director
(Finance & Operation)
& CFO



Mr. Rajeev Prakash
Joint Secretary (Naval System)
Government Nominee Director

Shri Rajeev Prakash has completed B.A. Honors in English from St. Stephen's College, University of Delhi and M.A. in Development Studies from the Institute of Social Studies, Erasmus University. He is a 1995 batch Indian Post & Telecommunication Accounts and Finance Service Officer (IP&TAFS).

He has a vast experience in the field of finance and held various important posts in the Government of India. Prior to joining as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India in June, 2022, he has worked as Deputy Director General (Wireless Planning & Finance), Department of Telecommunication, Ministry of Communication.

Further, he was also a Government Nominee Director in Bharat Broadband Network Limited for more than 2.5 years. He is also Government Nominee Director in Garden Reach Shipbuilders & Engineers Ltd.

CORPORATE INFORMATION

Chief Vigilance Officer (CVO)

Shri Pankaj Gupta, ITS

Company Secretary & KMP

Shri Suresh Kumar Gupta

Statutory Auditors

V. P. Aditya & Co.
Chartered Accountants, Kanpur

Secretarial Auditor

Ankit Mishra & Co.
Practicing Company Secretary,
Kanpur

Cost Auditors

RM Bansal & Co.
Cost Accountant, Kanpur

Internal Auditors

Nitin Nakul & Co.
Practicing Chartered
Accountant, Surat (Gujrat)

Bankers

State Bank of India
HDFC Bank
ICICI Bank
Axis Bank

Registered Office

TCL Corporate Bhawan
G.T. Road, Kanpur-208013
Uttar Pradesh, India

Senior Corporate Management as on 31.03.2024

Name	Designation
Shri Akhilesh Kumar	General Manager, Ordnance Clothing Factory Shahjahanpur (OCFS)
Shri B. S. Ready	General Manager, Ordnance Clothing Factory Avadi (OCFA)
Shri Amit Singh	General Manager, Ordnance Equipment Factory, Hazartpur (OEFHZ)
Shri Anil Ranga	General Manager, Ordnance Equipment Factory, Kanpur (OEFK)
Shri Rajeev Sharma	General Manager (Operations)
Dr. S.R.K. Vidyarthi	General Manager (HR)
Shri Anil Kumar Yadav	General Manager (TS)
Shri V. Mathivanan	General Manager (QA)
Shri Abhijit Banik	General Manager (TCL, Training Academy, Kanpur)
Shri Sumit Patle	Jt. General Manager (Operation)
Shri Anand Dubey	Depty General Manager (Finance)
Shri Abhishek Kumar	Depty General Manager (M&E)
Dr. Pramod Kumar	Depty General Manager (HR)
Shri Rajeev Arora	Works Manager (Accounts)



Vice chief of Army Staff embarked his gracious presence in TCL HQ and appreciated the advancements made by TCL in the field of innovation and R&D. Diversification of TCL products with progression in the field of drone was also applauded. The successful demonstration of Logistic Drone having a payload of 40 kg was also made which astounded the Vice Chief of Army Staff. The technical aspects were discussed and TCL efforts to keep up with the current technological era were appreciated.



TCL Delegation under the leadership of Dr. S.K. Saxena, Dir (Fin & Ops) embarked its presence in Eurosatory 2024 held at Paris, France. Indian Ambassador to France interacted with the Delegates of TCL and appreciated TCL Range of products. Brig. Zubin Bhatnagar Indian Military Attaché to France also interacted with TCL Delegates and suggested to implore the leading Defence Companies of France in order to boost India-France Defence cooperation.



A high delegation from the Democratic Republic of Congo led by His Excellency Maj Lukwikila Metikwizaa Marcel, Permanent Sectt. MoD, DRC visited in AWEIL; wherein, Delegation of TCL under the leadership of Sh. Rajeev Sharma, GM/Ops displays the prowess of state of the art products. Discussions were held on the potential areas of business in the Defence Sectors of Indian and DRC. Delegates from DRC appreciated the quality of TCL products and shown interest in procuring the same from TCL.



SEOUL ADEX2023 exhibition was held from 17th Oct to 22th Oct, 2023 in South Korea; wherein, the TCL Delegation led by Shri S K Sinha, CMD participated in the said exhibition to explore the export business potential of #TCL range of product in International Market. Chief Guest Mr. Che Pyong Roh, President KDIC was welcomed in seminar on India Korea Defence Cooperation led by Sh S K Sinha, CMD/TCL. In his keynote address CMD/TCL stressed on need of synergy b/w Indian and Korean Defence Industry to tap the potential of Global Defence Market. Shri S.K.Sinha, CMD/TCL during dinner meeting highlighted the potential of new, flexible and rejuvenated DPSUs that are opening up to meet the demands of future defence market & joint cooperation with ROK which will stimulate these efforts for the benefit of all. Participation of TCL in ADEX2023 was fruitful which resulted in signing of ToT, expanding channel partner reach & participating in various seminars. TCL products i.e. UAVs, BRJ, Combat Uniforms Coat ECC were appreciated by one and all. TCL got several Export leads.



Second foundation day of Troop Comforts Limited was celebrated at corporate headquarters with the hoisting of TCL flag by Shri S K Sinha CMD. All the units of TCL joined virtually for the celebration. CMD in his speech stressed the need to reduce the COP, adopt assembly line system, undertake Modernization and Diversify through focused R&D and augment civil trade.



Visit of Maj Gen Vikram Taneja, Addl DGOS(B), Integrated HQ of MoD (Army)



Exploring the export business potential of friendly country Nepal, Shri Santosh K Sinha, CMD & Shri Rajeev Sharma GM, had fruitful interaction with MGO, Nepal ARMY IG, Nepal Armed Police Force IG, Nepal police and shared rich history of pioneering achievements.



TCLKANPUR is honored to host a delegation from the Republic of Guyana Captain Gerald Richard Gouveia National Security Advisor and facilitate interaction with Dr. Sanjeev Kumar Saxena DIR/Fin & DIR/Ops, Shri P. Mohanty A.D.G.O (C&S) TCL.



A diverse array of innovations, most advancements in LCC, ECC, ECWS, Himveer 7 Layer Sys are on display at Stall A 67-A74, 8th International Police Expo, Pragati Maidan, New Delhi. Shri Santosh K Sinha, CMD & Shri Rajeev Sharma GM shared a rich history of pioneering achievements.



DGQA Lt Gen R S Reen visited TCLHQ and had discussion with Shri S K Sinha, CMD/TCL on various issues like self certification, sharing of generic specifications of ex-import items. DGQA took special interest in product being developed for civil trade by TCL.



Troop Comforts Ltd participated in Annual Joint #HADR exercise on 10th & 11th Oct 23, at INS Hansa Goa. #TCLKANPUR shared and showcased its range of products such as Ballistic Protection Gears, Safety Equipment, Fire Retardant Overall, Drones, Life Jacket, High Altitude Equipment.



CSR INITIATIVE

Troop Comforts Limited is committed to empowering the future of this country i.e. School Children under Health and Nutrition theme. TCL has taken an initiative to eradicate Hunger and Malnutrition under the CSR initiative in collaboration with Akshaya Patra, Alimco, ISKON and SGBS Unnati Foundation and others



DIVERSIFIED PRODUCTS OF TCL

LIFE CYCLE CLOTHING



ADVANCED COMBAT UNIFORM (CEREMONIAL UNIFORMS & WINTER CLOTHING)



**SUIT TERRY WOOL
BLUE GREY**

**SHIRT ANGOLA
DRAB & TROUSER
SERGE**

**SHIRT & TROUSEK
POLY VISCOSE
DOPE DYED OG**

**JERSEY V NECK DARK
OG & BLUE GREY
64'S GRADE WOOL**

EXTREME COLD CLIMATE (ECC) ITEMS FOR HIGH ALTITUDE



**FRAO
ORANGE**



COAT ECC



TROUSER ECC



CAP BALACLAVA



GLOVES OUTER & INNER



LIGHT WEIGHT SLEEPING BAG – 20° C

TENTAGES (FOR PLAIN TERRAIN)**TENT EXTENDABLE FRAME
SUPPORTED 4M & 2M****TENTAGES (FOR HIGH ALTITUDE)****MATTRESS ECC3****CAMPING TENT**

BALLISTIC PROTECTION GEARS



**BULLET RESISTANT
JACKET**
Threat Level III+



**Threat Level IV
BULLET RESISTANT
VEST**



BALLISTIC HELMET
Threat Level III A



**BULLET RESISTANT .
JACKET**
Threat Level III A

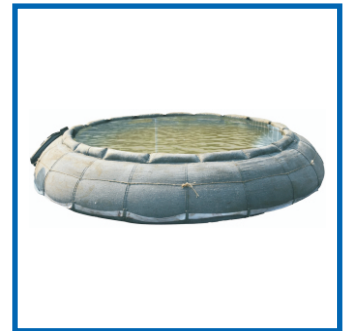
WATER STORAGE EQUIPMENT



CHAGUL UNIVERSAL



**WATER TANK
230 LITRE**



**WATER TANK
6140 LITRE**



BALLISTIC BRIEFCASE



DUFFLE TROLLY BAG



SURVEILLANCE DRONE



FR OVERALL



**JACKET/TROUSER
WIND CHEATER**

VARIETY OF BOOTS



**BOOT HIGH ANKLE PU
RUBBER SOLE**



**INDUSTRIAL
SAFETY SHOES**



**SNOW
BOOTS SHOE**



OXFORD SHOE



**BOOT
HIGH ANKLE DVS**



BOOT CRAMPON



**COMBINATION OF BOOT MULTIPURPOSE
& BOOT CRAMPON**



**BOOT CRAMPON
MODULAR GLOVES**

Chairman's Message



Dear Shareholders,

It is my honour and privilege to welcome you to the 3rd Annual General Meeting (AGM) of Troop Comforts Limited ("TCL"). At the outset, on behalf of the Board of Directors, I would like to express our sincere gratitude for your trust, encouragement, and unwavering support for the Company and its management.

As Chairman of this esteemed organization, it brings me immense pleasure to address you today. I am proud to be part of the transformation of Ordnance Factories into seven new Defence Public Sector Undertakings (DPSUs), with TCL being one of them. Together with the support of my fellow Board Members and the dedicated employees of our organization, we aim to address the challenges ahead and make significant strides toward sustainable growth and profitability. I would like to take this opportunity to share our performance highlights from the past year and provide insight into our future outlook.

Financial Performance

Your company has achieved revenue of Operations ₹280.36 Crore in FY 2023-24 in comparison of previous financial FY 2022-23 ₹ 997.67 Crore due to poor work load. The revenue from operations of the Company decreased during the current financial year due to a less robust Order Book position compared to previous years, following its commencement as a New Defence Public Sector Undertaking (DPSU). This decline can be attributed to the fact that TCL's range of products is primarily supplied to the Indian Army, which serves as its major customer. During the FY 2023-24, the Indian Army's demand was significantly low. However, I am glad to inform that with the active support of the Ministry of Defence (MoD) and the

Department of Defence Production (DDP), orders worth ₹1206 crores were secured in the last quarter of FY 2023-24, along with 60% advance which have helped TCL to sustain in next financial year & with comfortable cash flow.

Operational Performance

Troop Comforts Limited (TCL) is dedicated to manufacturing clothing items and accessories for the Indian Armed Forces, Para-Military, State Police, and the commercial civil market. Since commencing operations as a Defence Public Sector Undertaking (DPSU), TCL has focused on developing technologically advanced products and diversifying its offerings to maintain a robust order book.

We have made significant strides in the indigenous development of import-substitute products, filing five Intellectual Property Rights (IPR) applications. Our emphasis on R&D has led to the successful indigenization of several key items for the Indian Army, including:

- ✓ ECWCS (Extreme Cold Weather Clothing System)
- ✓ Multipurpose Boots
- ✓ Boot Crampons Modular Gloves
- ✓ High Altitude Mountaineering Equipment

Way Ahead

TCL is committed to developing technologically advanced niche products through in-house R&D, Make-II, and IDEX initiatives. We are exploring new business opportunities in import substitute items for the Indian Army and aim to expand our product profile to align with customer requirements.

In our diversification efforts, we are establishing manufacturing capabilities for:

- ✓ Surveillance/Logistic Drones
- ✓ Vehicle Armoring
- ✓ Various types of Parachutes
- ✓ Camouflage Nets

Moreover, we are focusing on maximizing renewable energy sources, particularly solar energy, to power our production activities. TCL is in the process of establishing rooftop solar power plants across all units to meet 50% of our energy requirements, contributing to India's energy surplus.

Order Book Position

The order book position of TCL experienced a dip compared to previous years, primarily due to a lack of orders from the Indian Army. However, thanks to the tireless efforts of our team and the positive support from the Ministry of Defence (MOD) and Department of Defence Production (DDP), we secured orders exceeding ₹1,200 crore from the Indian Army in the last quarter of FY 2023-24. We continue to pursue competitive bidding to secure additional orders.

Research and Development

Since corporatization, TCL has emphasized the development of technologically advanced products through in-house R&D and collaborative initiatives. In FY 2023-24, we indigenized several products, which are now undergoing user trials with the Indian Army. Our diversification strategy also includes developing niche products like:

- ✓ Surveillance and Logistic Drones
- ✓ Vehicle Armoring
- ✓ Fire-Retardant Overalls

We are also working on futuristic items such as Anti-G Suits, Weaponized Drones, Medical Textiles, and Lightweight Ballistic Helmets. Furthermore, we have established manufacturing capabilities for Brake Parachutes through technology transfer from ADRDE.

Export Focus Area

TCL is determined to expand its global footprint by exporting in-house designed products tailored to the global market's needs. We are actively analyzing and pursuing export opportunities in regions like South East Asia, the Middle East, Africa, and South America. Our strategies for promoting exports include brand building and visibility through participation in national and international defense exhibitions.

Implementation of Government Programmes

We are committed to achieving self-reliance by increasing indigenization in our troop comfort products. Currently, all TCL products are manufactured using indigenous materials, aligning with the government's vision for self-reliance in defense production.

Corporate Governance

TCL maintains the highest standards of ethics and transparency in all business activities. We comply with Corporate Governance guidelines issued by the Department of Public Enterprises (DPE) and have received an "Excellent" grading in our self-evaluation for the Financial Year 2023-24.

Human Resource Development & Industrial Relations

Investing in employee learning and development remains a priority for TCL. Our TCL Training Academy conducts various online and offline training programs, ensuring our workforce is skilled and adaptable. Industrial relations have remained harmonious, with regular meetings held between management and unions to foster a cooperative environment.

Appreciation

As we celebrate 78 glorious years of independence, I am proud to lead TCL in delivering 100% indigenous quality products to the Indian Armed Forces and other valued customers. I am confident that TCL will continue to excel in serving the nation while expanding our export capabilities.

In conclusion, I extend my heartfelt gratitude to the Ministry of Defence, government authorities, and our esteemed shareholders for their ongoing support. I also acknowledge the dedication of our Board Members, senior management, and all employees who contribute to our shared vision. Together, with the continued encouragement of all stakeholders, TCL is poised for accelerated growth.

Jai Hind

For and on the behalf of Board of Directors

Sd/-

(Vijay Kumar Tiwari)

Chairman & Managing Director

(Additional in charge)

DIN: 09282247

Date: 17.09.2024

Place: Kanpur, U.P.

DIRECTORS' REPORT

To

The Members,

Your Board of Directors takes pleasure in presenting the 3rd Annual Report on the business and operations of the Company, together with the Audited Financial Statement for the year ended March 31, 2024.

BUSINESS REVIEW

During the year under review, your Company has gained experience of working as a corporate entity after being carved out as Ordnance Factory from the Ordnance Factory Board vide Union Cabinet GOI ID No. CG-DL-E-01102021-230101 dated 1st October 2021. The Company learned to expertise to work as a corporate while taking new decisions and framing policies along with continuing focus on the business operation.

After corporatization, the company faced several challenges, which were successfully navigated during the current financial year. This is evident from the fact that TCL has secured orders of more than ₹1200 cr. from Indian Army for the subsequent years in the last quarter of FY. 2023-24. Apart from that TCL is also taking every effort to secure the orders through competitive bidding. Further more, orders are also expected in the upcoming period through various modes.

The Board of Directors and management of the Company endeavours its best to regain its synergy and utilize the assets and the financial liberty given by the government of India to work for the collective benefit of its stakeholders and Indian economy.

TCL is mainly engaged in manufacturing of Life Cycle Clothing (LCC) of Armed Services, Extreme Cold Climate Items (ECC), Special Clothing & Mountaineering Equipment (SCME), Protective Gears, Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tents, Leather Items, Ballistic Protective Gears, Vehicle Armoring, Surveillance & Logistic Drones, Arrestor Barrier, General Stores etc. for both Defense Services and Civil Sector.

PERFORMANCE HIGHLIGHTS AND FINANCIAL RESULTS

Revenue from Operations:

Your company achieved revenue from operation of ₹ 280.36 Crore in FY 2023-24, compared to ₹ 997.67 Crore in FY 2022-23.

The revenue from operations of the Company decreased during the current financial year due to a less robust Order Book position compared to previous years, following its commencement as a New Defense Public Sector Undertaking (DPSU). This decline can be attributed to the fact that TCL's range of products is primarily supplied to the Indian Army, which serves as its major customer. During the FY 2023-24, the Indian Army's demand was significantly low. However, with the active support of the Ministry of Defense (MoD) and the Department of Defense Production (DDP), orders worth ₹1206 crores were secured in the last quarter of FY 2023-24, which helped mitigate the overall impact on revenue.

FINANCIAL PERFORMANCE

(₹ in Crore)

Particular	FY 2023-24	FY 2022-23
Gross Income	343.49	1,046.30
Revenue from Operations	280.37	997.67
Earnings Before Interest, Taxes & Depreciation	(386.79)	59.88
Less: Finance Costs	-	-
Less: Depreciation	19.70	25.25
Profit Before Exceptional Items and Tax	(406.49)	34.63
Less: Exceptional Items	-	-
Profit Before Tax	(406.49)	34.63
Less: Tax Expense	103.42	15.68
Profit After Tax	(303.07)	18.95
Other Comprehensive Income (net of tax)	-	(26.96)
Total Comprehensive Income	-	(8.00)
Profit & Loss Appropriation Account	(303.07)	18.95
Amount available for appropriation (including Opening Balance)	35.33	16.38
Less: Final Dividend paid for the previous year	-	-
Less: Interim Dividend paid	-	-
Less: Dividend Distribution Tax paid	-	-
Less: Amount transferred to Reserves	-	-
Balance	(267.74)	35.33

The Company achieved gross Income of ₹343.49 Crore (₹1,046.30 Crore in previous financial year for 2022-23) and reported Profit before tax (PBT) of ₹ (406.49) Crore in FY 2023-24 (₹34.63 in previous FY 2022-23).

DIVIDEND AND RESERVE

In order to preserve the Company resources for the future business assignment, your Company has decided not to declare the dividend during the year under review.

SHARE CAPITAL

Paid-up Capital: The paid-up capital of the Company as on 31st March, 2024 was ₹4,849.43 Cr. However, TCL has issued equity shares of worth ₹106.28 to Government of India on rights basis during the FY 2023-24. The capital structure of TCL is as follows :

Particulars (Authorised Capital)	Par Value (In Rs.)	Total Value(in Crore)
Share Capital as at 01.04.2023	10	5,000.00
Add: Increase during the year		0.00
Closing Share capital as at 31.03.2024	10	5,000.00
Particulars (Paidup Capital)	Par Value (In Rs.)	Total Value (in Crores)
Equity share capital as at 01.04.2023	10	4,743.15
Add: Increase during the year	10	106.28
Closing Share capital as at 31.03.2024	10	4,849.43

Reserve: Other Equity representing reserves and P&L Account balance stood at ₹ (184.94) Cr as at end of the year.

OPERATIONAL PERFORMANCE

During the year under review, TCL carried out the business of manufacturing of Clothing items and accessories required by the Indian Armed Forces Services, Paramilitary & State Police Forces. During the reported financial year i.e. 2023-24, following strategies have been executed for sustainability along with continual growth:

- ✓ Development of Import Substitute solutions under ATMANIRBHAR BHARAT, MAKE-IN-INDIA
- ✓ Development of niche technologies i.e. Surveillance & Logistic Drone, Vehicle Armoring facilities.
- ✓ Business Partnership with OEM's
- ✓ Launching of selected range of products for commercial Civil Market under “TROOPS” brand logo through TCL retail outlets and e-commerce platforms.
- ✓ Penetrating Export Market for selected TCL range of products.
- ✓ Securing and executing its first export order of ₹1.97 Cr. for “Snow Boots” supplied to Nepal Armed Police Force.

Apart from above strategies, TCL also filed 05 IPR's in the Industrial designing of products. In an effort to boost R&D initiative and providing import substitute solutions to Indian Army, TCL has developed following items under indigenization as these are presently being imported by Indian Army.

- ✓ ECWCS (Extreme Cold Weather Clothing System)
- ✓ Boot Multipurpose
- ✓ Boot Crampon
- ✓ Modular Gloves
- ✓ High Altitude Mountaineering Equipment

These items are under User trial and evaluation by Indian Army.

ORDER BOOK POSITION

TCL range of products are basically supplied to Indian Army being major customer. During the FY. 2023- 24, requirement of Indian Army was abysmally low. Subsequently with the active support of MOD/DDP, order of worth ₹1206 Cr. were received in the last quarter of FY. 2023-24. Summarized TCL order book position for FY. 2023-24 and subsequent years was as under:

₹ in Crore (including GST)

TCL ORDER BOOK POSITION	
Financial Year 2023-24	Financial Year 2024-25
(As on 01.04.2023)	(As on 01.04.2024)
340.00	1330.00

FUTURE PROSPECTS

The Board of Directors of your Company along with the employees of all level are striving their best to drive the Company best on its track with increased turnover and profitability. For this the Company is in active contact with the Ministry of Defence to secure the more order and also focusing on new emerging business opportunities in the Import substitute items of the Indian Army and altogether niche products i.e. various types of Drones such as Surveillance and Logistic Drone for defense application, Weaponized Drone system, Anti G-Suit, Light Weight Ballistic Helmets/ Bullet Resistant Jackets, Medical Textiles etc. The Company endeavors to grow in each of its vertical by expanding its product profile, aligning with customer requirements and diversification of customers.

The Company is also participating in the various RFPs issued by the Indian Army, Indian Air force, Indian Navy and other customers for securing the orders through competitive bidding. As a result, the Company has secured various orders from Indian Army, Indian Air force, Indian Navy and other MHA forces and State Police forces, Oil Refineries in the FY. 2023-24.

For wider visibility of TCL products for young generations, TCL retail outlets in different geographical locations across India have been opened in FY.2023-24.

EXPORT INITIATIVES

During the year under review, your Company in its strategy of expanding its customer base in the overseas market, has taken several initiatives to secure the export orders and making its global footprints by exporting the customized requirements of the international market. The Company is getting the export leads from South East Asia, Middle East, Africa, Nepal, Israel, Suriname etc. Strategies adopted to promote and enhance the Company's export business include brand building & visibility through presentations, participation in exhibitions, regular interaction with Defense Attaches, offering of TCL products under Gratis basis, Channel Partners also.

In its export initiatives, TCL secured and executed its first export order of Snow Boots from Nepal Armed Police Force in the FY. 2023-24. Further orders are also expected from Nepal in the upcoming time. In addition to the export of in-house designed products, concerted efforts are being put in for offering

customized designed products as in the case of Suriname Army where in export order of Combat Uniform is under finalization.

INDIGENISATION AND MAKE IN INDIA INITIATIVES

The Company has adopted the 'Make in India' initiatives launched by the Government of India and successfully implemented the 'Make in India and Indigenization policies promulgated by the Government from time to time. The Company has been consistently progressing towards achieving self-reliance through determined efforts to increase indigenization in key areas of Troop Comforts items.

As a part of the Government's efforts to achieve self-reliance in Defense production, presently all the products in TCL range are manufactured with indigenized materials.

PROCUREMENT

E-procurement :

Your Company is continuously endeavoring to maximize the procurement of materials and services through GeM portal in line with the MoD guidelines. During FY 2023-24, almost all the procurement has been done through Gem portal.

Procurement through Government e-Marketplace (GeM):

GeM portal is a fair, transparent and robust digital platform, enabling to achieve maximum advantage through competitive bids by reaching to lakhs of vendors registered on the platform. All the units under TCL are already registered with GeM portal for procurement of commodities and services, including capital goods, office equipment etc.

Preference to Start-ups:

With a view to encourage Start-ups, the Company is following the Govt. guidelines with respect to prior experience and turnover, without compromising technical specification and quality standards.

PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSES)

The Company has also been providing thrust on enhancing procurements from MSEs. During FY 2023-24, around **60%** of the indigenous procurement (excluding BNE items) has been done from MSE sector, as against the revised mandatory target of 25%. The Company has reserved 358 items reserved by the

Government of India and instituted liberalized payment terms in order to enhance their liquidity to tackle multiple long-term projects smoothly.

The Company is registered with registered Public Procurement Policy Monitoring Portal MSME Sambandh' and 'MSME Samadhaan' and adopted Trade Receivable Electronic Discounting System (TReDs), a payment system introduced by the Government of India to ensure timely payment to MSEs immediately after the acceptance of their bills on a discounting system. Company is also taking prompt actions to resolve the vendors' issues raised in the Vivad se Vishwas portal introduced by the Government and its monitoring is also being done at TCL Corporate HQ level.

VENDOR DEVELOPMENT MEETS

To strengthen the procurement cycle, vendors from various sections, especially from MSE and SC/ST sectors in line with the Government of India policies, your Company has participated in several meets, webinars and programmes organized by Confederation of Indian Industry (CII), Society of Indian Defense Manufacturers (SIDM) etc. during the year.

As a part of vendor development program, the Company organized vendor meets during the year viz. Hybrid Vendor Meet during Vigilance Awareness week as well as during the Quality Month for guiding, training and sensitizing TCL vendors for the policies and procedures of TCL.

INTEGRITY PACT

The Company has adopted Integrity Pact for procurement transactions/contracts above ₹50 Lakh, in line with the directives of MoD and Central Vigilance Commission. The Pact essentially envisages an agreement between the prospective vendors/bidders and the buyer (TCL), committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to the Pact, would be considered competent to participate in the bidding process.

Presently, Shri V.B Kumar & Shri A.K.Akhaya, are the Independent External Monitor (IEM) for monitoring, implementation of Integrity Pact in the Company. During the year 2023-24, no complaints were received by the IEM from any of the Company's vendors.

RESEARCH & DEVELOPMENT (R&D)/TECHNOLOGY ABSORPTION

Post Corporatization, TCL is moving ahead in the development of technologically advanced products through In-house R&D/ Make-II & IDEX routes. During the reported financial year 2023-24, indigenized version of following SCME (Special

Clothing & Mountaineering Equipment) ex- import items of Indian Army have been developed:

- ✓ ECWCS (Extreme Cold Weather Clothing System) under RFI of HIMCLOS
- ✓ Boot Multipurpose
- ✓ Boot Crampon under RFI
- ✓ Modular Gloves under RFI
- ✓ Karabiner 'P' Type as High-Altitude Mountaineering Equipment under RFI

All these items are under user trial and evaluation with Army.

In addition to above indigenization efforts made by TCL, following niche products under product diversification strategy have also been developed by TCL:

- ✓ Drone for Defense application such as Surveillance & Logistic Drone.
- ✓ Vehicle Armoring facility
- ✓ Fire Retardant Overall required by Petroleum Organizations

Apart from the above-mentioned items, development of several other futuristic items such as Anti G Suit, Weaponized Drone, Medical textiles, Light Weight Ballistic Helmets are under different stages of development.

TCL has also ventured in the establishing manufacturing capability in terms of various Brake Parachutes through ToT absorption received from ADRDE. In this segment, TCL has got ToT of Brake Parachutes of Jaguar & SU 30 Air Craft. ToT has also been obtained for Brake Parachute of Hawk Parachute.

All the four units of TCL have dedicated infrastructure for the designing and development of products through In-house R&D efforts.

During the reported year, the expenditure of ₹2.02 Crore was incurred by the Company under the R&D head against the revenue from operations of ₹280.37 Crore.

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

Government Company engaged in producing defence equipment are exempted to furnish the information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

CONTRIBUTION TO DIO/IDEX

In order to foster innovation and technology development in Defense and Aerospace, "Innovations for Defense Excellence" (IDEX) has been launched by the Government of India. In line with MoD guidelines, Company identified one area such as "Designing of Thermal Agile mannequin to measure comfort parameters in simulated high-altitude areas" for promotion of innovation and technology development for Defense Excellence. Contract was signed with IDEX winner and it is under phase wise execution as per problem definition statement.

INTELLECTUAL PROPERTY RIGHTS (IPR)

The Company already constituted Intellectual Property Rights (IPR) cell to promote invention, innovation and IPR awareness. Increased thrust was given towards generation of in-house IPR, supported by Mission Raksha Gyan Shakti, an initiative of MoD. TCL has obtained 87 no. of intellectual property rights in various categories.

ARTIFICIAL INTELLIGENCE INITIATIVES

In line with MoD's thrust towards adoption and deployment of artificial intelligence ('AI') technology. The Company is exploring to enable AI based systems to build a vibrant AI ecosystem in the Troop Comforts range of items as well as processes.

STARTUP INDIA

Startup India initiative of the Government of India aims to build a strong ecosystem for nurturing innovations and startups in the country to drive sustainable economic growth and generate large scale employment opportunities. In order to support the Government initiative and emergent magnitude of startups, startups such as BoN V and have been promoted for providing the valuable contributions in the manufacturing of defense items.

QUALITY ASSURANCE & QUALITY MANAGEMENT

The Company is committed to maintain the quality in each and every product intended for Indian Armed forces and other stake holders with utmost customer satisfaction level. All the units of TCL are certified for Integrated Management System on ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System and ISO 45001:2018 for Occupational Health & Safety Management System by respective certification bodies. The certification is for Design, manufacture of various Troop Comforts Items.

In line with MoD directives, independent QA post headed by SAG level officer and assisted by QCO of factories have been created who in turn is directly reporting to CMD in all the QA related matters. All the units of TCL have skilled & experienced QC inspection team, continually engaged right from the

inspection of incoming raw materials to the stage inspection as well as final inspection of the products, manufactured by TCL units. Time to time, they are trained in adopting updated inspection methodologies and best garment industry practices to ensure the consistency & reliability of quality products. The Company has emphasized on defect avoidance through awareness training, self-inspection and root cause analysis to identify appropriate corrective and preventive measures for achieving continual improvement, which in turn has led to cost reduction and reduction in rework involved in the Troop Comforts Items.

All the manufacturing units of TCL have In-house NABL accredited Laboratories for testing each and every raw material sourced through trade and other sources to ensure that raw materials conforming to specified quality as per the Military Grade specifications, are being used in the manufacturing of end products.

The ISO implementation teams in each unit of TCL, coordinates in execution of risk management policy of its unit. Risks are discussed at different levels of management. High risk issues deliberated in the Performance Review Meetings of each unit are taken up for further deliberations and future action by the Board of Directors.

During the reported financial year 2023-24, updated Quality Management System plan has been adopted by the manufacturing units of TCL.

During the said financial year 2023-24, OEFHZ, a unit under TCL also obtained QMS certification from DGAQA.

NATIONAL RECOGNITION / AWARDS

To promote the TCL range of products and newly developed Import substitute items, TCL has participated in the following exhibitions:

- a) Northtech organized by Northern Command HQ Indian Army in
- b) Easttech organized by Eastern Command HQ Indian Army in July 2023
- c) 8th International Police Expo 2023 held in July 2023

During the reported financial year 2023-24, TCL also showcased its product range and segment to various foreign dignitaries such as Israel, Guyana, Nepal, Tanzania etc.

HUMAN RESOURCE

Manpower

The total manpower strength as on 31st March, 2024 is 5078 including 54 Group A officers, 2006 Group B officers and 3016 Group C employees. Additionally, the manpower strength also includes 03 executives on fixed term basis.

The position regarding representation of SCs/ STs/ OBCs /PwB Ds (i.e. Persons with Benchmark Disabilities) and women

employees in various categories as on April 01, 2023 and March 31, 2024 is given in **Annexure 'A'**. The details of recruitment of SCs/STs/OBCs/PwBDs and women personnel are given in **Annexure 'B'**.

The reservation of 4% for recruitment of PwBDs has been provided in Group 'A', 'B', 'C' and 'D' categories in compliance with the 'Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995' and the 'Rights of Persons with Disabilities Act, 2016'.

DEVELOPMENT OF HUMAN RESOURCES

The Company has kept “Learning and Development” in its priority list of activities as it believes that the key to survival, sustainability and growth in any competitive sector lies in continuous learning and development of the Human Resource. Learning and Development is the most important factor that contributes to increasing the efficiency, improving the product quality, adopting new technology, catalyzing innovation, controlling cost and staying ahead of the competition in long run. In line with this, on job training has also been given to tailors in Production shops with the examiners for new garments.

Trainings regarding Tally, Innovation in Textile, Parachute Technology, Effective Leadership, Preparation of Leadership Cards, Coat ECC Improve Version, Office Procedure, Igot, Karmyogi Karyashala, CCS Conduct Rules, LIMBS, Gem, Vigilance, ITI Act., Marketing & Export were also conducted which trained 629 employees.

ONLINE TRAINING PROGRAMMES

Various Online trainings were conducted in all the units in approximately 26 subjects which included Export Management, Managerial Accounting, Cost Record Keeping and cost audit, Short Term Training Programme for IOFS, Financial reporting and governance, Cyber Security, Workshop on GeM etc.

TECHNICAL TRAINING PROGRAMMES

Technical Training programmes aimed at improving the productivity and upgrading the skill sets of employees including in-house training programme on various subjects was organized. Re- skilling trainings are conducted in all the production units of TCL. Variety of other trainings are also conducted which includes Line System Awareness, SQC & SPC etc.

APPRENTICE TRAINING

In line with Skill India Mission of the Government, the units of TCL are training 195 apprentices which includes both ITI and Non- ITI candidates. TCL units have been participating in Apprentice Mela for engagement of apprentices. Units have been directed that the engagement of apprentices may be retained at 2.5% of the total strength of the factory.

All the units under TCL have their own training department for

providing of training to apprentices. They also provide on-job training to trade apprentices engaged.

WOMEN EMPOWERMENT

At TCL, Women employees are treated at par with male employees and a safe working environment for them is ensured. Women Empowerment seminar, debates and other activities were conducted on 8th March 2023 on the occasion of International Women's Day.

WELFARE, HEALTH AND SAFETY

TCL values its human resource the most. It continues to accord importance to welfare measures of employees. Compliance of statutory welfare provisions like providing canteen facility, employee rest room, first aid appliances, crèche, ambulance etc are followed meticulously. The Company also provides welfare and safety items on as required basis.

Annual Medical Examination for all employees as well as half yearly medical examination for employees working in hazardous operation is conducted by OEFC Factory Health Setup.

PPEs are distributed in related shop/section as per requirement.

Eye camp was conducted at OCFV and around 500 employees and wards were benefitted. Awareness programme in r/o Millets were conducted by the help of National Institute of Siddha on 12.12.2023 and around 250 participants attended the programme.

Awareness programme on EPF benefits were conducted for contract labours on 08.12.2023 by the EPFO authorities and around 124 contract labourers were benefitted.

Awareness programme on ESI benefits and seeding of Aadhar number in ESI portal was conducted on 08.02.2024 for contract labours by ESI authorities.

HEALTH:

The Company gives high level of importance to health of the employees and relentless efforts have been put in to safeguard the health of workforce, by providing continuous medical care. Vaccination Drives were also conducted.

SAFETY:

The Company continues to accord utmost importance to safety while carrying out various jobs and continuously strives to achieve the objective of “zero accidents”. The Company has dedicated Safety cell at its establishments with qualified and trained personnel. The Safety Cells have been carrying out regular safety audits and safety inspections and has also brought safety awareness through different activities such as conducting safety training programmes, firefighting training programmes etc.

Steps are taken to ensure good working environment like Maintenance of Shop, Distribution of PPEs etc. Work permit

system was followed for all Height works & other critical works. Monthly Section level safety committee meetings were conducted in production & Maintenance shops. PPEs like mask, safety shoes, safety goggles etc were issued to all required employees. Ample amount of Fire Tender vehicles, Fire hydrants, Static water Tanks and portable fire extinguishers are well maintained with proper checking/preventive maintenance / minor repairs wherever required. Automatic Fire alarm system which is installed in various locations, is well maintained and fully functional. Qualified & experienced safety officer & Electrical safety Officer are nominated. Proper Electrical insulation and earthing were ensured in all machinery, equipment & installations. National Safety Week 2024 and National Fire Service Week was celebrated in a befitting manner. In house Fire fighting training was given to employees where required. Safety advisory boards were displayed in required locations (including vehicle speed limits, Emergency assembly points, emergency exit marking, PPE usage, No smoking boards, SOPs etc.,)

INDUSTRIAL SECURITY

Your board of Directors consider the Industrial security agenda as a focused item. During the year under review, regular Quarterly Security Conference was held in which factory and industrial security were discussed. Vehicle Passes for employees/visitors/vendors entering factory is regularly checked and issued. All the CCTV inside factory is kept functional at all the times.

Monthly mock drills were regularly conducted every month, near various Production & Maintenance shops, Admin block, Stores section & common areas of factories.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company do not have any subsidiary, Associate and joint venture Company during the current financial year

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013,

An Internal Complaint committee on prevention of Sexual Harassment of Women at the workplace has been formed in the factories. The Internal Committee is chaired by a senior woman executive and has an external member who is a person familiar with issues relating to sexual harassment. No case has come to notice during the period from 01.04.2023 to 31.03.2024.

SWACHH BHARAT ABHIYAN

The Company continues to provide its wholehearted support to the Government "Swachh Bharat Campaign" and accelerated the activities at various levels. During the financial year 2023-24 'Swachhata hi sewa' was organised as 02nd October 2023 under which various activities were undertaken including oath also & Swachhata Pakhwada has also been celebrated from 01 Dec. 2023 to 15 Dec. 2023 in all our units. Various activities like cleaning drive inside factory as well as Estate, painting competitions, mini marathon were organised.

Banners / Posters were displayed at prominent locations in the factories as well as their respective estates.

Tree plantation was carried out in Estate, complexes and factory premises etc.

Seminars were organised, posters & Banners were put to create awareness among the people for reducing uses of single use plastic at OCFAV. Collection of plastic waste in Factory premises and residential complexes.

Door to Door Cleanliness Awareness campaign was conducted to educate the employees and families of Estate residents through school students.

Spraying of mosquito repellent and fogging was also done in all our units and their respective estates.



MERI MAATI MERADESH

"Meri Maati Mera Desh" envisions a unified celebration of India's soil and valour, commemorating the nation's journey of freedom and progress. By connecting with the land and honoring our heroes, this program will instill a sense of national pride and inspire future generations to protect India's cherished heritage.



RAJBHASHA

TCL is committed to adhere to the official Language Policy of the Govt. of India and the instructions issued by the Department of Official Language, Ministry of Home Affairs from time to time and made concerted efforts for promotion and implementation of official language.

A Hindi word is circulated on Comnet every month as "Word of the Month" for improving the vocabulary of the employees in OEFC.

Meetings of Official Language Implementation Committee is organised in all the factories.

Hindi Workshops were organised in OEFC & OCFV in which 259 officers/staff participated. Hindi Fortnight/Pakhawada was celebrated/organised in all the units of TCL. Various competitions like Noting and Drafting, Hindi Quiz, Hindi Antakshri, Hindi Drama, Essay Writing, Slogan Writing and Drishyavarnan were held. Cash Awards and certificates were distributed to prize winners.

Special Hindi workshop and study tour was organised by TCLIC/PSU Chennai in OCFV on 23.02.2024 for the PSU offices of Chennai where the participants were exposed to the usage of PHP programming thereby enhancing Hindi correspondences and effective implementation of Rajbhasha.

Official language implementation committee meeting (OLIC) was also organised at OCFV on 29.06.2023, 29.09.2023, 11.10.2023, 05.01.2024.

VISIT OF PARLIAMENTARY COMMITTEE, ANY OTHER DIGNITARIES.

There was no visit of the Parliamentary Committee or any other dignitaries at any TCL Units during 2023-2024.

IMPLEMENTATION OF RTI ACT, 2005

The company confers special emphasis on implementation of Right to Information Act, 2005 in letter and spirit. The applications received from the citizen of India as well as transferred applications from MoD, DoO(C&S) Kolkata & DoO(C&S) New Delhi, under Section 6(3) of the RTI Act were responded to within the prescribed statutory requirement.

At all units RTI Cell (under the CPIO/ APIO) is functioning within the factory for disposal of applications, appeals received in the factory and attending CIC hearings.

It is ensured that the RTI applications are disposed of within stipulated time.

Details of RTI application/Appeal are as follows :

Total of No. of Compliant received during the year		Total of No. of complaint resolved during the year		Total No. of Compliant pending during the year	
RTI Application	RTI Appeal	RTI Application	RTI Appeal	RTI Application	RTI Appeal
465	47	422	41	43	6

VIGILANCE ACTIVITIES

Preventive Vigilance and Systemic Improvements have been the thrust areas of Vigilance Department to ensure transparency, fairness and probity in all transactions and processes of the Company. Vigilance Awareness Week was celebrated in all the units of TCL.

Units have informed that Preventive Vigilance data/ documents, as and when required by Dir/Vigilance have been forwarded on time. Reports were also updated/forwarded within time, Complaints received were handled as per CVC guidelines.

Vigilance Awareness Week was conducted from 31st Oct to 05th Nov 2023, Integrity Pledge was taken and various activities/ events organized within the organization (Signature Campaign, Essay Writing, Debate, Slogan Writing and Quiz were conducted in the factory as well as in school.

WHISTLE BLOWER POLICY

TCL believes in the conduct of affairs in a fair and transparent manner by adopting highest standard of professionalism, honesty, integrity and ethical behaviour. TCL had formulated a Whistle Blower Policy with a view to provide a mechanism for employees of the company to approach the chairman of Audit Committee (as and when nominated)/ Director (HR) of TCL.

No complaints have been received during 2023-24 from any unit of TCL in this context.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report as required under the DPE Guidelines on Corporate Governance for CPSEs is placed at **Annexure 'C'** to this Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance in all spheres of business activities carried out by the Company and continues to lay strong emphasis on transparency, accountability and integrity. A detailed Report on Corporate Governance as per the Guidelines on Corporate Governance for CPSEs 2010 issued by DPE vide OM No. 18(8)/2005- GM dated 14.05.2010 along with Compliance Certificate from the Practicing Company Secretary is placed at **Annexure 'D'** hereto. As per the Self-evaluation Annual Grading Report on Corporate Governance for FY 2023-24, the Company is excellent grade. In compliance of clause 8.2 of provision of Chapter 8 of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE), 2010 a certificate from practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE), 2010 is placed at **Annexure- E**.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards 1 & 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by the Institute of Company Secretaries of India.

Due to non-appointment of Independent Director(s) by on the Company's Board, the provisions

w.r.t. minimum number of meetings of Audit Committee, Meeting of Independent Directors and Nomination & Remuneration Committee at the last Annual General Meeting could not be complied with.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

Troop Comforts Limited ("the Company") is dedicated to conducting its business in an ethical manner and contributing to the sustainable development of society and the environment. Our commitment to Corporate Social Responsibility (CSR) aligns with the principles outlined in Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014, and Schedule VII of the Companies Act, 2013, including any subsequent amendments or enactments. We also adhere to the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India ("DPE Guidelines, 2014").

Our CSR & Sustainability Policy is available on the Company's website at www.troopcomfortslimited.co.in. Detailed information on our commitment to sustainable development and CSR initiatives can be found in the Corporate Governance Report. The CSR Report outlining our CSR activities for the financial year is provided in **Annexure-F**.

This year, our CSR efforts have focused exclusively on health and nutrition, aligning with the Government's theme to combat malnutrition. The Company has dedicated its resources and support wholeheartedly to this vital area.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There were no related party transactions entered during the financial year 2023-24. There were no materially significant related party transactions entered into by the Company, which may have a potential conflict of interest of the Company. Hence, the disclosure of Related Party Transactions in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 is not required to be attached with the Directors' Report.

COPY OF ANNUAL RETURN

In accordance with the provisions of Section 92(3) and 134(3) of the Companies Act, 2013, a copy of the Annual Return for the year ended 31 Mar 2024 is placed on the Company's website,

which can be accessed through www.troopcomfortslimited.co.in under Corporate Governance.

PARTICULARS OF EMPLOYEES

In accordance with Gazette Notification No. 463(E) dated 05 Jun 2015 issued by Ministry of Corporate Affairs, Government of India, Government Companies are exempted from Section 197 of the Companies Act, 2013 and rules thereof.

BOARD OF DIRECTORS

As on 31st March, 2024, Board of Directors of the Company comprising of two Whole Time Functional Director including Chairman & Managing Director and One Government Nominee Director.

CHANGE IN BOARD OF DIRECTORS

The following appointments/cessation on the Board of your Company were affected as the directives of the Hon'ble President of India:

- Maj. Gen Ravi Rajeshkhar Patil, Director (HR) of the Company ceased to be Director (HR) w.e.f. 16th April, 2023 vide MOD ID NO. PC-1 to 1(5)/2021/OF/DP (Plg_V) dated 11th April 2023; issued by Department of Defence Production, Ministry of Defence, Government of India.
- Mr. Atul Gupta, Director Operation of the Company ceased to be Director operation w.e.f from 30.04.2023, due to superannuation;
- Shri S.K. Shina Chairman and Managing Director(CMD) of the Company ceased to be CMD w.e.f. November 30th, 2023 vide daily order No. 421 dated 08/09/2023 and letter having MoD ID No. PC-1 to 1(5)/2021/OF/DP(Plg-V) dated 01/12/2023 and Mr. Vijay Kumar Tiwari was appointed as Chairman and Managing Director (additional in charge) of the Company vide MOD ID NO. PC-1 to 1(5)/2021/OF/DP (Plg_V) dated 01st December 2023 issued by Department of Defence Production, Ministry of Defence, Government of India.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTOR

TCL was incorporated on 16th August, 2021 and commenced its business operations w.e.f. 01st October, 2021. There were no Independent Directors appointed since its Incorporation. Hence, no declaration of independence by Independent Director was provided as per the provisions of Section 149(6) of the Companies Act, 2013.

MEETINGS OF THE BOARD

During the financial year 2023-24, nine(09) Meetings of the Board of Directors were held. For further details, please refer to Report on Corporate Governance placed at '**Annexure D**' to this Report.

REMUNERATION POLICY AND EVALUATION OF BOARD'S PERFORMANCE

In the term of Ministry of Corporate Affairs Notification No. GSR 463(E) dated 5th June, 2015, Government Companies are not required frame a Policy on Directors' appointment and remuneration under section 178(3) of the Companies Act, 2013.

Your Company being a Government Company under administrative control of Ministry of Defence, the appointment, tenure and remuneration of Directors of the Company are decided by the Government of India. Article 86 and 88 of the Articles of Association of the Company state that the President will appoint Directors and determine their remuneration.

Government Nominee Director is not paid sitting fees or any other remuneration. Since the Board level appointments are made by the Government of India, the evaluation of performance of such appointees is also done by the Government of India as per its own evaluation methodology. For further details, please refer to Report on Corporate Governance placed at '**Annexure D**' to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors in terms of Section 134 of the Companies Act, 2013 state that:

- in the preparation of the annual accounts for the year ended 31st March 2024, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- they had selected such accounting policies and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31st March, 2024 and of the profit of the Company for the year ended 31st March, 2024;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;
- the Company had put in place adequate internal financial controls with reference to financial statements; and

they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively

AUDIT COMMITTEE

For details regarding functioning Audit Committee during FY 2023-24. Please refer Report on Corporate Governance placed at '**Annexure-D**' to this report.

RISK MANAGEMENT

Company has formulated Risk Management Policy with intent to identify, evaluate, prioritize and mitigate existing as well as potential risk related to business of the Company.

The main objective of Risk Management Policy is as follows:

- To ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.
- An effective Risk Management Policy is the key to sustained operations there by protecting the shareholder value, improving governance process, achieving strategic

objective and being well prepared for adverse situation or unplanned circumstances, if they were to occur in the business activities.

- iii. To facilitate a common understanding of risk at early stage for effective mitigation to meet company's business goals.
- iv. The Mitigation measures identified shall be embedded suitably into business process of the Company.

INTERNAL FINANCIAL CONTROLS

Your Company has robust design, implementation and maintenance of adequate internal financial controls commensurate with the size, scale and complexity of Company's operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable data and operational information, prevention and detection of frauds and errors, complying with applicable laws, safeguarding assets from loss, misuse and physical impairment and executing transaction with proper authorization and ensuring the compliances of applicable policies. The Company has laid down procedures and policies to guide business & operations along with comprehensive Delegation of Financial Powers (DFP) for the smooth functioning and decision making.

STATUTORY AUDITORS

C&AG of India appointed M/s V.P. Aditya & Co. (Firm Reg. No. 000542C) Chartered Accountant, Kanpur Uttar Pradesh as Statutory Auditors of the Company for conducting audit of accounts for the year ended March 31, 2024.

Auditors' Report on the Financial Statements of the Company for the year ended March 31, 2024 is appended to this Report. The qualifications or adverse remarks on the Company's Financial Statements and their reply is hereby annexed as **Annexure G** after Independent Audit Report.

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

The comments of the C&AG under section 143(6) of the Companies Act, 2013, on the financial statements of the Company for FY 2023-24 are placed next to the Statutory Auditor Report.

COST AUDITORS

Your company is required to maintained cost records as specified by Central Government under section 148(1) of Companies Act, 2013. R.M. Bansal & Co. Cost Accountant, Kanpur [Firm Registration No. 00002] has appointed as Cost Auditors for the FY 2023-24 in the terms of section 148 of Companies Act, 2013, read with the Companies (Cost records and Audit) Rules, 2014.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your company appointed Ankit Misra & Co., Company Secretary, Kanpur [Firm Registration No.

S2020UP749900] as Secretarial Auditors of the Company for the FY 2023-24. The Secretarial Audit Report forms part of Annual Report as **Annexure 'H'**.

The management reply to the observation on Secretarial Auditor are more specifically covered in the **Annexure 'I'**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

In terms of Gazette Notification No. GSR 463(E) dated 05 Jun 2015 issued by Ministry of Corporate Affairs, Government of India, the Company being a Government Company engaged in Defence production is exempted from the provisions of Section 186 of the Companies Act, 2013.

GENERAL

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

- a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- b) There has been no change in the nature of business of the Company.
- c) No significant and material order were passed by the regulators or courts or tribunals impacting the going concern status and Company and Company's operations in future.
- d) There has been no material changes and commitments affecting the financial position of the Company between the end of the financial year.

ACKNOWLEDGEMENT

The Board of Directors extend their heartfelt gratitude for the unwavering support and assistance received from various Government agencies especially Ministry of Defence, Department of Defence Production, the Integrated Headquarters (Navy)/MoD, Army, Navy, Airforce's Government of Uttar Pradesh and Tamil Nadu. The Directors are also express their sincere appreciation to the Customers, Vendors, Bankers, C&AG, Board, advisors, consultants

Statutory/Internal Auditor, NDCD, DO (C&S), Department of Public Enterprises and stakeholders associated with the Company for their continuous support and guidance throughout the year.

The Directors would like to express their sincere appreciation for the significant contribution provided by the all the employee of the Company and Union. The Directors look forward to their continued support and participation to propel the Company to greater heights in the coming years.

For and on the behalf of Board of Directors

Sd/-

(Vijay Kumar Tiwari)

Chairman & Managing Director
(Additional in charge)

DIN: 09282247

Date: 17.09.2024

Place: Kanpur, U.P.

Annexure 'a' To Directors' Report

**STATEMENT SHOWING THE POSITION REGARDING REPRESENTATION OF SCHEDULED
CASTES/ SCHEDULED TRIBES/OTHER BACKWARD CLASSES/PERSONS WITH BENCHMARK DISABILITIES
AND WOMEN EMPLOYEES IN THE VARIOUS CATEGORIES OF POSTS AS ON 01.04-2023 AND 31.03.2024**

CLASSIFICATION OF POSTS	AS ON 01.04.2023							AS ON 31.03.2024						
	TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	NO. OF EMPLOYEES BELONGING TO OTHER BACKWARD CLASSES	NO. OF EMPLOYEES BELONGING TO PERSONS WITH BENCHMARK DISABILITIES CATEGORY	WOMEN EMPLOYEES* TO	%	TOTAL STRENGTH	NO. OF EMPLOYEES BELONGING TO SCHEDULED CASTES	NO. OF EMPLOYEES BELONGING TO SCHEDULED TRIBES	NO. OF EMPLOYEES BELONGING TO OTHER BACKWARD CLASSES	NO. OF EMPLOYEES BELONGING TO PERSONS WITH BENCHMARK DISABILITIES CATEGORY	WOMEN EMPLOYEES TO	%
Permanent Group 'A'	64	7	5	17	1	3	4.69	53	9	3	17	2	4	7.548
Group 'B'	2059	451	68	140	60	188	9.131	1991	447	65	283	50	200	10.046
Group 'C'	3307	890	31	707	70	838	27.869	3006	821	31	867	59	778	25.882
Group 'D'	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* As per directions from Ministry of Defence, Deptt. of Defence Production and Supplies, New Delhi, vide their letter No.39(6)/99/D(B&C) dated 27.08.1999, to include information on employment of women, based on the recommendations of National Commission for Women.

ANNEXURE 'B' TO DIRECTORS' REPORT

STATEMENT SHOWING THE PARTICULARS OF RECRUITMENT MADE
01.04.2023 to 31.03.2024,
THE NUMBER FILLED BY MEMBERS OF SCs, STs, OBCs, PwBDs AND WOMEN PERSONNEL,
REASONS FOR SHORTFALL AND STEPS TAKEN TO IMPROVE THE POSITION

CLASSIFI CATION OF POSTS FILLED	TOTAL NO. OF VACANCIES	SCHEDULED CASTES		SCHEDULED TRIBES		OTHER BACKWARD CLASSES DISABILITIES		PERSONS WITH BENCHMARK RECRUITED*		WOMEN PERSONNEL AND STEPS TAKEN TO YEAR	REASONS FOR SHORTFALL DURING THE YEAR IMPROVE THE POSITION
		VACANCIES RESERVED	VACANCIES FILLE D#	VACANCIES RESERVED	VACANCIES FILLE D#	VACANCIES RESERVED	VACANCIES FILLE D#	VACANCIES RESERVED	VACANCIES FILLE D#		
Permanent											
GROUP 'A' (including Fixed Term Officers)											
GROUP 'B'											
GROUP 'C' (including Fixed Term Employees, ITI and Diploma Trainees)											
GROUP 'D' (including Fixed Term Employees)											

TCL is in the process of finalizing its final organizational structure. Currently all employees are government Termemployees on deemed deputation.

* As per directions from Ministry of Defence, Deptt. of Defence Production and Supplies, New Delhi, vide their letter No.39(6)/99/D(B&C) dated 27.08.1999, to include information on employment of women, based on the recommendations of National Commission for Women.

including previous year vacancies

Annexure-'C' to Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

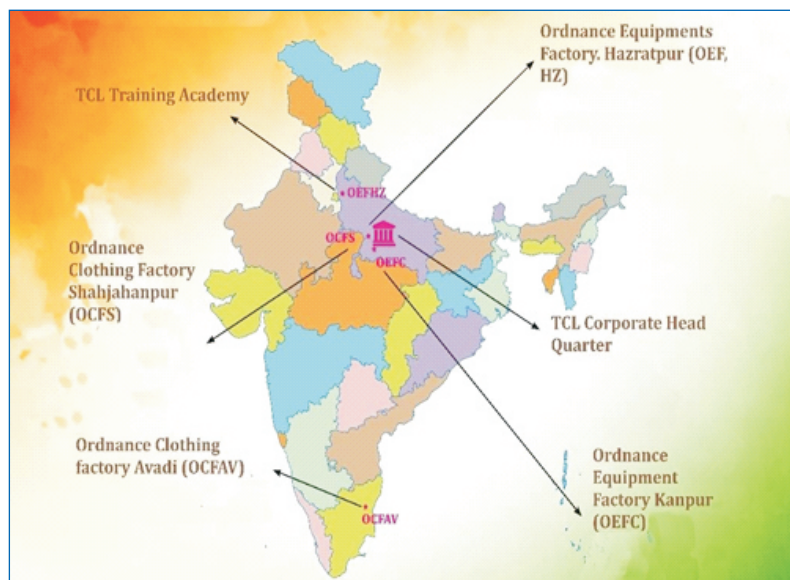
ORGANISATION STRUCTURE

Troop Comforts Limited (TCL) is a Defence Public Sector Undertaking (PSU) under the Department of Defence Production, Ministry of Defence, Government of India. It officially began its operations as a Defence PSU on October 1, 2021, under the Companies Act, 2013, with the Government of India holding 100% of its equity shares.

TCL oversees four manufacturing units—OEF Kanpur, OCF Shahjahanpur, OCF Avadi, and OEF Hazratpur—and also operates a training institute, TCLTA. With over 160 years of

experience and a robust infrastructure, TCL caters to the Indian Army, Indian Air Force (IAF), Indian Navy, and Ministry of Home Affairs (MHA) forces, providing troop comfort items. The company specializes in life cycle clothing, special clothing for cold climates, mountaineering equipment, ballistic protection gear, tentage, water storage items, and general stores. Its product solutions are designed to withstand a wide range of ambient temperatures, from +50°C in deserts to -50°C in glacial conditions.

Brief History of TCL units and Locations:



Established in 1859.
Named as Harness &
Saddlery Factory in
1880

Ordnance Equipment
Factory Kanpur
(OEFK)



Ordnance Equipment
Factory, Hazratpur
(OEFHZ)

OEF took over the
factory in 1983

Established on 10th
November 1961

Ordnance Clothing
Factory, Avadi
(OCFAV)



TCL Training
Academy

Established on 1st
April 1996

Established in 1914

Ordnance Clothing
Factory, Shahjahanpur
(OCFS)



Ordnance Equipment Factory Kanpur (OEFK)	Ordnance Clothing Factory, Shahjahanpur (OCFS)	Ordnance Equipment Factory, Hazratpur (OEFHZ)	Ordnance Clothing Factory, Avadi (OCFAV)
<p>Established in 1859</p> <p>Named as Harness & Saddlery Factory in 1880</p> <p>1969 – Factory rechristened as ORDNANCE EQUIPMENT FACTORY KANPUR</p> <p>Product range: Boot High Ankle, Tentages, Bag Sleeping, Mattress, Water Storage items, Gloves, Infantry Combat Kit</p> <p>Core-Competency: High Altitude Mountaineering equipment, Special Clothing & Mountaineering Equipment</p>	<p>Established in 1914</p> <p>Product Range: Coat / Trousers ECC, Coat Combat, Blanket, Overalls, Bag Kit, Cap Glacier, Trousers /Jacket Wind Cheater</p> <p>Core-Competency: High Altitude Garments</p>	<p>OFB took over the factory in 1983</p> <p>Production of Tentages various Equipment's started since 1984</p> <p>Product Range: Arrestor Barrier, Special Parachutes, Tents, Supply Drop Equipment</p> <p>Core-Competency: Supply Drop Equipment</p>	<p>Established On 10th November 1961</p> <p>Product Range: Combat Uniforms, Overalls, Coat ECC, Summer Uniforms.</p> <p>Core-Competency: Ballistic Protection Gears</p>

PRODUCTS AND SERVICES

Its 04 dedicated manufacturing units deals in the manufacturing of Life Cycle Clothing (LCC), Extreme Cold Climate Items (ECC), Special Clothing & Mountaineering Equipment (SCME), Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tentages, Leather Items, Arrestor Barrier, General Stores, Ballistic Protective Gears for Indian Defence forces, MHA and State Police force also. Manufacturing units have also ventured into commercial civil market through its retail outlets and e-commerce platforms.

Life Cycle Clothing	Ballistic Protective Gear	Extreme Cold Climate and Special Clothing & Mountaineering Equipment	Arrestor Barrier/ Supply Drop Equipment's	Tents & accessories
<p>Coat Combat Disruptive</p> <p>Overalls Disruptive Pattern</p> <p>Combat Uniform Jacket & Trouser</p> <p>Combat with IA Logo</p> <p>Infantry Combat Kit (ICK) items comprising of Pack, Haversack, Pouches, Frog Bayonet, Waist Belt</p>	<p>Bullet Resistant Jacket of various NIJ threat Level</p> <p>Bullet Resistant Vest of various NIJ threat Level</p> <p>Ballistic Helmet of NIJ level IIIA</p> <p>Bomb Disposal Suit</p> <p>Bomb Suppression Blanket</p> <p>Vehicle Armouring</p>	<p>Extreme Cold Weather Clothing System (ECWCS)</p> <p>Coat ECC/Trousers ECC</p> <p>Poncho Glacier</p> <p>Cap Glacier & Cap Balaclava</p>	<p>MENA 30 & 40</p> <p>ECAD Parachute 8.5 M Complete with Pack</p> <p>Set Harness Webbing type</p> <p>SOM strap 6.10 M</p> <p>ECAD Parachute 8.SM cotton line static 6.1M</p>	<p>TEFS 4M with Mild Steel Joints & Flooring with FMUB</p> <p>TEFS 2M with Mild Steel Joints & Flooring with FMUB</p> <p>Tent Arctic (Large, Medium, Small)</p> <p>Tent High Altitude</p> <p>Pup Tents</p>

Boot (Boot High Ankle DVS, Safety Shoes, Electrical safety Shoes)		Trouser/Jacket Wind Cheater Bag Sleeping for different temperature	PCAD for AN-32	
Ceremonial Uniforms			Skid Board Ml-8.	

SWOT ANALYSIS STRENGTHS

STRENGTHS

Extensive Experience:

Over 160 years of expertise in producing troop comfort items for diverse environments, from desert to glacial regions, under the Government of India.

R&D Capabilities: Each manufacturing unit has a dedicated R&D setup, leading to the development of import substitute items and upgraded products for the Indian Army.

Skilled Workforce: Highly trained workforce capable of adopting new technologies and continuously upskilled through on-the-job and specialized training.

Advanced IT

Infrastructure:

Implementation of e-procurement and IT advancements, including cybersecurity measures, to safeguard against cyber threats.

Certifications:

Manufacturing units are ISO 9001:2015,

WEAKNESSES

High Overheads: Overhead costs contribute significantly to the overall cost of production. **Product**

Obsolescence: Many of TCL's current product offerings are becoming outdated.

Lack of Brand

Recognition: TCL has limited brand visibility in the commercial civil market.

Marketing Deficiencies: Absence of a professional marketing and promotional channel.

OPPORTUNITIES

Import Substitutes: TCL can provide indigenous alternatives to imported products currently used by the Indian Army.

Export Expansion:

Potential for expanding exports to friendly foreign countries, with Government of India support.

Ballistic Protection Gear:

Increasing demand for ballistic protection gear presents new development opportunities.

Brand Building:

Possibilities to enhance TCL's brand image through digital marketing, especially in the civil market under the "TROOPS" brand.

Cost Reduction:

Switching to an assembly line manufacturing system could lower production costs.

THREATS

Market Competition:

Increasing availability of troop comfort items in the open market, leading to stiff competition.

Price Wars :

Rising price competition from competitors, both organized and unorganized sectors.

RISKS AND CONCERNS

Customer Dependence: TCL relies heavily on a few customers, with the Indian Army accounting for over 90% of its orders.

IT Infrastructure: The need for upgrading IT infrastructure, including software and ERP systems, to align with technological advancements.

Supply Chain Risks: Uncertainty surrounding suppliers and subcontractors could impact timely delivery and production.

Cost Competitiveness: Increased competition, particularly from the unorganized sector, poses a challenge to maintaining cost competitiveness.

MAJOR INITIATIVES UNDERTAKEN AND PLANNED TO ENSURE SUSTAINED PERFORMANCE AND GROWTH

Troop Comforts Limited (TCL) has implemented several initiatives to ensure sustained performance and growth across its operations:

- 1. Product Diversification:** TCL is focused on developing niche products within specified timeframes, particularly emphasizing import substitution solutions for the Indian Army.
- 2. Customer Diversification:** The company has expanded its customer base by securing orders from new clients, including Chennai Petroleum Corporation Ltd., Kerala Police, DGRE, Northern Railway, Indian Coast Guard, and the Nepal Armed Police Force.
- 3. Modernization:** TCL is modernizing its production facilities to meet the standards of leading global manufacturers of clothing and accessories.
- 4. Export Market Penetration:** TCL is actively entering the export market with selective product ranges and custom

designs to meet international requirements. In FY 2023-24, TCL executed its first export order for the Nepal Armed Police Force.

- 5. Retail Expansion:** The company has introduced premium military-grade products in the commercial market through retail outlets and e-commerce platforms under its "TROOPS" brand logo.

- 6. ERP System Upgrade:** TCL has initiated the process of procuring a new ERP system to enhance operational efficiency.

7. Marketing & Business Development:

- ✓ TCL has participated in international defense exhibitions such as ADEX in South Korea, LIMA in Malaysia, and the International Police Expo to publicize its expertise and explore new business opportunities.
- ✓ Channel partners have been appointed to help penetrate markets in Nepal, Morocco, Europe, Latin America, North America, and Africa.
- ✓ TCL is working on a tentative order for combat uniforms from Suriname.

Additionally, TCL continues its aggressive bidding for RFPs from the Indian Army, Indian Air Force, and MHA forces, focusing on providing import substitute solutions to the Indian Army. The company is developing new products and components to align with evolving market demands. With a strong order book for FY 2024-25 and anticipated orders from services in line with the Department of Defence Production (DDP) directives dated January 8, 2024, the company's future outlook appears promising and encouraging.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The details regarding Internal control system and its adequacy are more specifically covered in the Directors' Report.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Performance Highlights of the Company during the year ended 31st March 2024 are as follows: (₹ In Crore)

Particular	2023-24	2022-23
Gross Income	343.49	1,046.30
Revenue from Operations	280.37	997.67
Earnings Before Interest, Taxes & Depreciation	(386.79)	59.88
Less: Finance Costs	-	-
Less: Depreciation	19.70	25.25
Profit Before Exceptional Items and Tax	(406.49)	34.63
Less: Exceptional Items	-	-
Profit Before Tax	(406.49)	34.63
Less: Tax Expense	103.42	15.68
Profit After Tax	(303.07)	18.95
Other Comprehensive Income (net of tax)	-	(26.96)
Inventory	71.35	94.19
Trade Receivables	13.78	177.98
Earnings Per Shares (EPS)(in Rs.)	(0.63)	0.04
Dividend (%)	-	-

SEGMENT-WISE PERFORMANCE

The Ministry of Corporate Affairs, Government of India vide Notification No. S.O. 802(E) dated 23 Feb 2018 has exempted companies engaged in defence production from disclosure requirements with regard to the Accounting Standard on segment reporting. Hence, the segment-wise/ product-wise performance is not appended to this Report.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The details regarding Human Resource Development, Industrial Relations and Manpower Strength are more specifically covered in the Directors' Report.

ENVIRONMENTAL PROTECTION AND CONSERVATION

The company is recognized as one of the least polluting in its sector, demonstrating a strong commitment to environmental improvement, conservation, and protection. Special attention is given to the planting and preservation of trees. Both the company headquarters and its various units maintain significant

forest cover, contributing to a greener environment.

On important occasions such as Republic Day, Independence Day, and Environment Day, the company actively organizes tree-planting initiatives. The factory premises and residential colonies for employees are also well-covered with greenery, reflecting the company's dedication to maintaining an eco-friendly environment for its workforce and operations.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Relevant Information in this regard is disclosed in the Directors' Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

Relevant Information in this regard is disclosed in the Directors' Report.



CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance along with Compliance Certificate from the Practicing Company Secretary, Secretarial Auditor of the Company, as per the Guidelines on Corporate Governance for CPSEs 2010 issued by the Department of Public Enterprises, Govt. of India ('DPE Guidelines'), vide DPE's OM No.18(8)/2005-GM dated 14 May 2010, is given below:

PHILOSOPHY ON CORPORATE GOVERNANCE

1. Your company's commitment to maintaining the highest ethical standards in business activities is commendable. Emphasizing principles such as honesty, integrity, and accountability reflects a strong dedication to good corporate governance. Prioritizing transparency, avoiding conflicts of interest, and adhering to corporate values and social responsibilities are essential components of a robust governance framework. This approach not only fosters trust and credibility with stakeholders but also sets a positive example in the industry.

2. The Company is dedicated to upholding the principles of Corporate Governance both in practice and in spirit. As part of its new mission, the Company aims to enhance its capacities and capabilities to compete on a global scale. It plans to achieve this vision by focusing on key areas such as value creation, safety, environmental stewardship, and people development. This comprehensive approach is designed to ensure sustainable growth and competitiveness while maintaining high ethical standards.

BOARD OF DIRECTORS

The Board of Directors, led by the Chairman & Managing Director, plays a crucial role in steering the Company towards its goals while aligning with stakeholders' interests. By overseeing the Company's overall functioning, the Board provides strategic direction and ensures accountability for achieving these objectives. Their involvement is key to upholding high standards of Corporate Governance, as they are responsible for making strategic decisions and ensuring that the Company adheres to ethical practices and meets its growth targets.

Composition of Board of Directors

Troop Comforts Limited, being a 100% government-owned entity under the administrative control of the Department of Defense Production, Ministry of Defense, follows specific governance guidelines. The composition of the Board adheres to the Companies Act, 2013, and the Department of Public Enterprises (DPE) Guidelines. As per the Articles of Association, the President of India has the authority to appoint Directors. As of March 31, 2024, the Board consists of one Whole-Time Director and Chairman & Managing Director (in an additional charge capacity) and a Government Nominee Director. The Board's diverse composition reflects a blend of experience, qualifications, and skills that align with the Company's strategic goals, corporate ethics, values, and culture.

Details of the Members of the Board of Directors of TCL as on March 31, 2024 are given below: -

Sl. No.	Name of Director & Designation	Director Identification Number (DIN)	No. of Other Directorship held	No. of Committee Membership in other Companies	
				As Chairman	As Member
1..	Shri Vijay Kumar Tiwari IOFS, Chairman & Managing Director (Additional Charge) with effect from 01/12/2023	09282247	01(Gliders India Ltd, Chairman & Managing Director)	-	-
2.	Dr. Sanjeev Kumar Saxena, IOFS, Director (Finance) & Chief Financial Officer [Additional charge of Director Operations with effect from 15/05/2023]	09315421	-	-	-
Government Nominee Director:					
3.	Shri Rajeev Prakash Joint Secretary (Naval System), Ministry of Defence (Nominated w.e.f.14.09.2022)	08590061	One (Garden Reach Shipbuilders & Engineering Limited)	-	One

As per the Department of Public Enterprises (DPE) guidelines, Troop Comforts Limited (TCL) is required to have two Part-Time Non-Official (Independent) Directors on its Board. At the beginning of the financial year, there were two vacancies for these Independent Director positions. The Board is actively pursuing these appointments with the administrative ministry, Ministry of Defence (MoD), and the process is currently under consideration.

Shri Santosh Kumar Sinha, the Chairman & Managing Director (CMD) of TCL, retired on November 30, 2023. Consequently, the position of CMD has been vacant since December 1, 2023. To address this, the Hon'ble Raksha Mantri has approved that Shri Vijay Kumar Tiwari, CMD of Gliders India Limited (GIL), will assume the additional charge of CMD of TCL from December 1, 2023, until a regular appointment is made through the Public Enterprises Selection Board (PESB) procedure or September 30, 2024, whichever comes first, as per MoD ID No. PC- 1 to 1(5)/2021/OF/DP(Plg-V) dated December 1, 2023.

Additionally, following the retirement of Mr. Atul Gupta from the position of Director (Operations) at TCL, the Hon'ble President of India, through the Department of Defence Production, has approved the additional charge of Director (Operations) to Dr. Sanjeev Kumar Saxena, Director (Finance), effective May 15, 2023. This arrangement will continue until a regular incumbent is appointed, as per the approved procedure, as detailed in MoD ID No. PC-1 to 1(5)/2021/OF/DP(Plg-V) dated May 15, 2023.

Brief resume of newly appointed Director Appointment during FY 2023-24

1. Shri V K Tiwari an Indian Ordnance Factories Service (IOFS), 1987 batch officer, took over additional charge of CMD TCL w.e.f. from 01.12.2023. He is also holding the Charge of Chairman & Managing Director of Gliders India Limited since 1st October 2021.

He is Graduate in Mechanical Engineering from NIT Bhopal and Post Graduate Diploma in Computer Applications. With vast experience of BHEL Haridwar, he joined Indian Ordnance Factories Services in March 1988 and held the position as General Manager in High Explosives Factory Khadki and Ordnance Factory Bhandara. Over 35 years of work experience, he worked in the areas of Production, Quality, Maintenance, Information Technology, Production Planning, Purchase division, Engineering division etc. His vast, rich and varied experience of working at various capacities and corporate level, will enable him in taking short term and long-term strategic decisions for the overall growth of the organization.

2. Dr Sanjeev Kumar Saxena, Director (Finance) is appointed as additional charge of Director (Operations) of Troop Comforts Limited with effect from 15th May, 2023 until the appointment of regular incumbent. He is an Indian Ordnance Factories Service (IOFS), 1989 batch officer, took over as Director (Finance) of TCL with effect from September 15th 2021. Prior to that he was heading Materials Management & Indigenization functions at Heavy Vehicle Factory, Avadi, Chennai, under Ordnance

Factory Board. He has 31 years of experience in Defence manufacturing. He also has rich experience at Ordnance Factory Board in Business Strategy, HR, R&D and Quality management functions. In addition, he was Director at National Academy of Defence Production, Nagpur. Graduated in Mechanical Engineering from GECT, Raipur in 1986, he Post graduated (M. Tech) from IIT, Kanpur in 1988 and Post Graduate Diploma in Management from MDI, Gurgaon in 1998. He has been awarded Doctorate in Management by BITS, Pilani in 2017.

3. Shri Rajeev Prakash has completed B.A. Honors in English from St. Stephen's College, University of Delhi and M.A. in Development Studies from the Institute of Social Studies, Erasmus University. He is a 1995 batch Indian Post & Telecommunication Accounts and Finance Service Officer (IP&TAFS). He has a vast experience in the field of finance and held various important posts in the Government of India. Prior to joining as Joint Secretary (Naval System) in Department of Defence Production, Ministry of Defence, Govt. of India in June, 2022, he has worked as Deputy Director General (Wireless Planning & Finance), Department of Telecommunication, Ministry of Communication.

Appointment after closure of FY 2023-24:

There was no appointment after closure of FY 2023-24.

Directors' Shareholding

No Directors of Company held any shares of the Company as on 31st March, 2024.

Meetings of Board and Attendance

The Board of Directors of Troop Comforts Limited meets regularly to review various aspects of the Company's performance and governance, including operational and financial performance, order position, policy formulation, strategy development, internal control systems, and regulatory compliance. During the financial year ending March 31, 2024, the Board convened on nine occasions:

1. April 12, 2023
2. April 28, 2023
3. July 07, 2023
4. July 28, 2023
5. September 26, 2023
6. November 29, 2023
7. December 11, 2023
8. January 16, 2024
9. March 22, 2024

The intervals between these meetings adhered to the time frames prescribed under the Companies Act, 2013, and DPE Guidelines.

The attendance details of Directors at these Board Meetings, as well as at the Annual General Meetings held during the financial year 2023-24, are provided below:

Sl. No.	Name of Director & Designation	No. of Board Meetings held during respective tenure of Director	No. of Board Meeting attended	Attendance at 2nd Annual General Meeting held on 27.09.2023
Serving Directors				
1.	Shri S. K. Sinha Chairman & Managing Director	6	6	Yes
2.	Shri V.K. Tiwari Chairman & Managing Director (Additional in charge w.e.f. 01/12/2023)	3	3	NA
3.	Shri Atul Gupta, Director (Operations)	2	2	NA
4.	Maj Gen Ravi Rajeshkhar Patil Director (HR)	1	1	NA
5.	Dr. Sanjeev Kumar Saxena Director (Finance) & CFO	9	9	Yes
6.	Shri Rajeev Prakash JS (NS) Government Nominee Director	9	9	NO

*During the Financial year 2023-24, there is no Extra-Ordinary General Meeting was held.

The Board meetings at Troop Comforts Limited are conducted with a structured agenda to ensure efficient and informed decision-making. Here's how the process is managed:

- 1. Agenda and Documents:** The agenda papers, along with relevant supporting documents, are circulated to Board Members in advance, in accordance with the Companies Act, 2013. This allows Directors ample time to review the material and prepare for a structured discussion.
- 2. Informed Decision-Making:** By receiving these documents beforehand, Board Members can make well-informed decisions and engage in thorough discussions during the meetings.
- 3. Raising Issues:** Directors may bring up important issues for Board consideration with the permission of the Chairman. This ensures that pressing matters can be addressed in a timely manner.
- 4. Senior Management Input:** If required, senior management is invited to provide additional insights and information on the items under discussion, enhancing the quality of deliberations.
- 5. Presentations:** Presentations are made during meetings as needed to support the discussions and provide Directors with clear and concise information.
- 6. Video-Conferencing:** To facilitate participation, Directors are provided with video- conferencing facilities, allowing them to attend meetings remotely if necessary.

- 7. Shorter Notice Meetings:** In cases of urgency, meetings can be convened on shorter notice, as permitted under the Companies Act, 2013, ensuring that critical issues are addressed promptly.

This structured approach helps in maintaining effective governance and ensures that all relevant information is considered in decision-making processes.

Committee of the Board

TCL is required to constitute Audit Committee and Nomination & Remuneration Committee as per provisions of Companies Act, 2013 and Guidelines on Corporate Governance for CPSE, 2010. However, due to non-appointment of Independent Director by Ministry of Defence

(MoD), above mentioned committee could not be constituted. TCL Board pursuing with its administrative Ministry of Defence (MoD) for appointment of Independent Directors, which is under consideration.

Appointment and Remuneration of Directors

As a Central Government Public Enterprise, the appointment of the Chairman & Managing Director (CMD) and other Functional Directors at Troop Comforts Limited (TCL) is made by the Government of India. Their tenure, remuneration, and other terms and conditions are specified in their respective appointment letters or orders.

For the financial year ending March 31, 2024, the details of remuneration paid to the CMD, Functional Directors, and Key Managerial Personnel (KMP) are outlined as follows:

(₹ in Lakh)

Sl. No.	Name of Director & KMP	Salary	Perquisite as per IT Rules	Contribution to GPF/NPS/ DSOPF	Total
1	Shri Santosh Kumar Sinha IOFS, Chairman & Managing Director	29.29	0	4	33.29
2.	Shri Atul Gupta IOFS, Director (Operation)	7.35	0	0	7.35
3.	Maj Gen Ravi Rajeshkhar Patil Director (HR)	4.93	0	0	4.93
4.	Dr. Sanjeev Kumar Saxena Director (Finance) & CFO	43.92	0	5	48.92
5.	Shri Suresh Kumar Gupta Company Secretary	12.25	0	0	12.25

Government Nominee Director is appointed by the President of India and he is not paid any remuneration or sitting fee.

There is no Part-Time Non-official (Independent) Director appointed by the President of India during the financial year 2023-24.

The Company does not pay any commission to its directors nor issued stock options to its directors.

Evaluation Criteria

Since the Board level appointments are made by the President of India, evaluation of performance of Directors is also done by the Government of India.

COMMITTEE OF SUTAINABLE DEVELOPMENTS AND CORPORATE SOCIAL RESPONSIBILITY (SD & CSR COMMITTEE)

Troop Comforts Limited (TCL) has a strong commitment to Corporate Social Responsibility (CSR), aiming to benefit society, the environment, and the economy through its business activities. TCL ensures that all its CSR efforts follow the requirements of the Companies Act, 2013, and other relevant CSR rules and guidelines.

Key Points:

- 1. CSR Compliance:** TCL follows the legal requirement to spend at least 2% of its net profits on CSR activities. For FY 2023-24, this amount was ₹ 58.23 lakhs.
- 2. CSR Committee:** The law requires TCL to have a CSR Committee with three directors, including one independent director. However, due to a vacancy in the

position of the independent director, the company's Board of Directors is temporarily managing the CSR responsibilities until a new independent director is appointed.

3. CSR Projects:

- ✓ TCL allocated 60% of its CSR funds to **ALIMCO (Artificial Limbs Manufacturing Corporation of India)** for projects focused on health and nutrition.
- ✓ The remaining 40% was allocated to **SGBS Unnati Foundation**, which focuses on social empowerment.

- 4. Project Selection Process:** Even though TCL nominated ALIMCO and SGBS Unnati Foundation, the Board carefully evaluated six project proposals. The Board considered how well each proposal aligned with the theme of "Health and Nutrition," the potential impact, and the experience of the implementing agencies. The final decision was made to ensure maximum benefit from the CSR initiatives.

In short, TCL ensures its CSR activities follow the law and are focused on creating positive social and environmental impacts while being transparent and thoughtful in how it selects and allocates resources to CSR projects.

MEETING OF INDEPENDENT DIRECTORS

There is no Part-Time Non-official (Independent) Director appointed by the President of India during the financial year 2023-24. Hence, no meeting of Independent Directors was held during FY 2023-24.

GENERAL BODY MEETING

*The details of previous Annual General Meeting ('AGM') held during the previous years as follows:

Year	Location	Date and Time	Remark
2023-24	Registered office of the Company i.e. TCL Corporate Bhawan, GT Road, Kanpur, Uttar Pradesh-208013, IN	27/09/2023 12:30 P.M.	Second Annual General Meeting

TRAINING OF BOARD MEMBERS

Troop Comforts Limited (TCL) has a formal policy for the training and development of its Board members, including Independent Directors. This policy ensures that:

- 1. Familiarization Program:** When new members join the Board, they undergo an induction program. This helps them become familiar with the company's business model, current operations, corporate plan, and future outlook. It ensures that new members can quickly understand the key aspects of TCL's business.
- 2. Ongoing Education:** TCL also provides continuous education and development for all Board members.

This includes updates and training on:

- ✓ **Industry trends** : Keeping board members informed about the latest developments in the sectors relevant to TCL.
- ✓ **Financial literacy** : Enhancing their understanding of financial management and risk.
- ✓ **Corporate governance** : Sharing best practices to uphold the highest governance standards.

Through these efforts, TCL ensures its Board members are equipped with the knowledge and skills to make informed decisions and provide effective oversight of the company's operations.

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has formulated and adopted a code of Business conduct and ethics.

WHISTLE BLOWER POLICY

Relevant Information in this regard is disclosed in the Directors' Report.

AUDIT QUALIFICATION

The details regarding qualification, observation and remark of Statutory Auditor are more specifically covered in the Independent Audit Report.

RISK MANAGEMENT

Relevant Information in this regard is disclosed in the Directors' Report.

SHAREHOLDING PATTERN : Details of shareholders of the Company:

Sl. No.	Category of Shareholder	No. of Shares held	Amount of Shares held (amount in crore)	% of Shares held to Total Paid-up Capital
1.	Government of India President of India & Government nominee Shareholders	4,849,427,668	4,849.49	100.00%
	Total	4,849,427,668	4,849.49	100.00%

DEMATERIALISATION OF SHARES AND SHARES TRANSFERS SYSTEM

The shares are held in Physical form, are transferable on the order of MoD, DDP, Government of India.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

As per Section 124 of the Companies Act, any unpaid or unclaimed dividend that remains unresolved for seven years must be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government under Section 125(1) of the Act. For the financial year 2023-24, the Board of Directors did not propose to declare any dividend, and therefore, no amount related to dividends was transferred to the IEPF.

Additionally, under section 124(6), shares for which dividends have not been paid or claimed for seven consecutive years must also be transferred to the IEPF. For FY 2023-24, TCL confirmed that no shares were liable for transfer to the IEPF.

Further, Section 125 of the Act provides that no shareholder whose dividend/shares have been transferred, if any, to the IEPF shall be entitled to claim it back from IEPF on complying with the procedures laid down in this behalf.

MEANS OF COMMUNICATION

Troop Comforts Limited (TCL) maintains a comprehensive website, available in both English and Hindi, at www.troopcomfortslimited.co.in, which provides detailed information on the company's business operations, products, services, management, recruitment, vendor registration, tenders, e-procurement, vigilance, RTI (Right to Information), and other updates.

Date: 17.09.2024

Place: Kanpur, U.P.

Key Features of the Website:

- ✓ The 'About' tab contains important corporate documents such as annual reports, notices, and announcements.
- Annual General Meeting (AGM) Notices and Reports:** TCL circulates the Annual General Meeting Notice and Annual Report (which includes Financial Statements and the Auditors' Report) to shareholders and others who are entitled to receive them.
- ✓ **Green Initiative:** To promote sustainability, TCL encourages shareholders to receive these documents via email if they have registered their email addresses with the company. Those who opt out of physical copies will receive the Annual Report electronically.
- ✓ Once the Annual Report has been presented before both houses of Parliament, it is made available on the company's website for public access.

DECLARATION

As provided under the Guidelines on Corporate Governance for CPSEs 2010 issued by the Government of India, it is hereby declared that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of Troop Comforts Limited for the year ended 31st March, 2024.

For and on the behalf of Board of Directors

Sd/
(V. K. Tiwari)
Chairman & Managing Director
Additional Charge
DIN: 09282247

**ANKIT MISRA & CO.****Company Secretaries**

Flat No. 401, 3rd Floor, Siddhi Sona Apartment,
H. No. 127/784/42 W-1 Saket Nagar, Kanpur,
208014

Email: ankit99900@gmail.com

Mobile No. +91 9792200692

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Troop Comforts Limited
TCL Corporate Bhawan, G.T. Road
Kanpur 208013

Sir(s),

I have examined the compliance of the conditions of Corporate Governance by Troop Comforts Limited for the year ended March 31, 2024, as stipulated in the guidelines on corporate governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises (DPE).

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

In my opinion and to the best of my information and according to the explanation given to me and representations given by management, I certify that the Company has complied with aforesaid guidelines on corporate governance, subject to the following observations:

- i. *During the Audit Period, the non-functional Directors were less than 50% of the total Board Strength as required in clause 3.1.2 of the DPE Guidelines, 2010;*
- ii. *During the Audit Period the Company does not have Independent Directors as required in clause 3.1.4 of the DPE Guidelines, 2010;*
- iii. *The Company has not constituted Audit Committee and Nomination & Remuneration Committee as required in clause 4 & 5 of the DPE Guidelines, 2010;*
- iv. *The Company has not complied with clause 3.3.3 of the DPE Guidelines 2010 relating to review of Periodically compliances of law.*

Provided however that as per the Articles of Association of the Company, the power to appoint Directors vests with the President of India.

I further state that such compliance 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 ANKIT MISRA & Co.

Date: 13.09.2024
Place: Kanpur

Sd/-
ANKIT MISRA
(Proprietor)
CP No. 23471

Company Secretaries
Unique Code Number S2020UP749900
Peer Review Certificate Number 4232/2023
UDIN: A030650F001211478

Annexure-'F' to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for FY 2023-24

1. Brief outline on CSR Policy of the Company

Troop Comforts Limited (TCL) is committed to ethical business practices and aims to contribute to the sustainable development of society and the planet. The company works towards enhancing the quality of life for both the community and society at large.

Key Commitments:

1. Sustainability Focus: TCL operates in an economically, socially, and environmentally sustainable manner, recognizing and addressing the interests of its stakeholders.

2. Legal and Regulatory Compliance: The company's Corporate Social Responsibility (CSR) initiatives align with Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014, Schedule VII of the Companies Act, and any future amendments. TCL also adheres to the **Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises** issued by the Department of Public Enterprises (DPE) in 2014.

Through these commitments, TCL ensures its operations contribute positively to society and the environment, while complying with relevant laws and regulations.

2. Composition of Committee on Sustainability Development and Corporate Social Responsibility (CSR Committee)

Since, there was no Independent Directors on the Board of the Company, Sustainability Development and Corporate Social Responsibility (CSR Committee) was not functional.

3. CSR policy and CSR Projects approved by the Board are disclosed on the website of the Company i.e. www.troopcomfortslimited.co.in

4. Details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable- **Not Applicable for FY 2023-24**

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 2911.5 Lakh

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 58.23 Lakh

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

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

(e) Total CSR obligation for the financial year (5a+5b-5c): ₹ 58.23 Lakh

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing Project): ₹ 58.23 Lakh

(b) Amount spent in Administrative overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: NA

(d) Total Amount spent for the Financial Year 2023-24 [(a) + (b) + (c)]: ₹ 58.23 Lakh

(e) CSR amount spent or unspent for the FY 2023-24: ₹ 58.23 Lakh

Total Amount	Amount Unspent (Rs. in lakh)				
Spent for the Financial Year 2023-24 (Rs. in lakh)	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
58.23	0	Not Applicable		0	Not Applicable

(F) Excess amount for set-off, if any

Sl. No.	Particular	Amount (in Lakh)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135:	58.23
(ii)	Total Amount spent for the Financial Year 2023-24	58.23
(iii)	Excess amount spent for Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

7. Details of unspent Corporate Social responsibility amount for the preceding Financial Years:

1	2	3	4	5	6	7	8
Sl. No	Preceding during the Financial Year(s)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135	Balance Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135	Amount Spent in the Financial Year (in Rs\lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any Amount (in Rs.) Date of transfer	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
1	FY- 2022-23	0	0	45.72	0 0	0	0

*During the Financial year 2022-23 average net profit of Company under Sub Section (5) of Section 135 is ₹2285.91 Lakh. Hence ₹45.72 Lakh i.e., 2 % of average net profit was spent by the Company on CSR activates.

8. Whether any capital Assets have been created or acquired through Corporate Social Responsibility amount spent in Financial Year: No
9. If Yes, enter the number of Capital assets created/ acquired:- NA
10. Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

Sl. No.	Short particulars of property or assets (including complete address and location of the property)	Pin code of the property or asset(s)	Date of Creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
					Not Applicable		

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable**

For and on the behalf of Board of Directors

Date: 17.09.2024
Place: Kanpur, U.P.

Sd/-
(V. K. Tiwari)
Chairman & Managing Director
Additional Charge
DIN: 09282247

**ANKIT MISRA & CO.****Company Secretaries**

Flat No. 401, 3rd Floor, Siddhi Sona Apartment,
H. No. 127/784/42 W-1 Saket Nagar, Kanpur,
208014

Email: ankit99900@gmail.com

Mobile No. +91 9792200692

FORM NO. MR-3
SECRETARIAL AUDIT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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

To,
The Members,
TROOP COMFORTS LIMITED
Kanpur

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TROOP COMFORTS LIMITED (CIN: U18109UP2021GOI150744)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder; (Not applicable to the Company during Audit Period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable for Government Company)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during Audit Period)
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the company is an unlisted Company.
- (vi) Other applicable Laws:
 - (a) The Income Tax Act, 1961;
 - (b) The Goods and service Tax Act, 2017;
 - (c) The Maternity Benefit Act, 1961;
 - (d) The Payment of Bonus Act, 1965;
 - (e) The Payment of Gratuity Act, 1972;
 - (f) Environmental Laws like The Water (Prevention and Control of Pollution) Act, 1974, The Environment (Protection) Act, 1986;
 - (g) Factories Act, 1948
 - (h) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement/Listing Regulation, (Not applicable to the Company during Audit Period as the Company is an unlisted Company);

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

- i. *That the Company issued shares to its existing shareholders through right issue, with the share allotted to shareholders on 12.04.2023 and 28.07.2023, but the amount was received prior to the issue date;*
- ii. *The Annual return under Factories Act for the factory situated at Hazratpur was not available for inspection;*
- iii. *The pollution certificate for factory situated at Avadi was not available for inspection;*
- iv. *Copy of the NOC with fire department were not available for inspection for all the establishments of the Company, however, management of the Company confirm that they have their in-house fire department;*
- v. *Copy of title deeds were not available for inspection, only handing takeover correspondences are available in records;*
- vi. *During the Audit Period, the non-functional Directors were less than 50% of the total Board Strength as required in clause 3.1.2 of the DPE Guidelines, 2010;*
- vii. *During the Audit Period the Company does not have Independent Directors as required in clause 3.1.4 of the DPE Guidelines, 2010;*
- viii. *The company was required to appoint women director but failed to do so;*
- ix. *The Company has not constituted Audit Committee and Nomination & Remuneration Committee as required in clause 4 & 5 of the DPE Guidelines, 2010. Provided however that, as per the Articles of Association of the Company, the power to appoint Directors vests with the President of India;*
- x. *The company has CSR obligation of more than Rs. 50 lakh but not constituted CSR Committee in compliance with the Companies Act, 2013;*

For the compliances of Labour Laws & other General Laws, my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

I further report that

The Board of Directors of the Company was not duly constituted. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to convene 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.

Decisions were passed with unanimous majority and recorded as part of the minutes.

I further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines to the extent applicable. *Provided however, that the Company has failed to produce the copies of the insurance policies of its assets whereas Company undertakes that it has fully insured its assets as per the Hypothecation agreement executed with its lender i.e. SBI.*

For ANKIT MISRA & Co.
Sd/-

ANKIT MISRA

Proprietor

CP No. 23471

Company Secretaries

Unique Code Number S2020UP749900

Peer Review Certificate Number 4232/2023

UDIN: A030650F001211126

Date: 13.09.2024

Place: Kanpur

Annexure I of Director report

The details of Management reply on qualification, observation and remark of Secretarial Auditor as follows :

Secretarial Auditor Comments	Management Reply
<i>That the Company issued shares to its existing shareholders through right issue, with the share allotted to shareholders on 12.04.2023 and 28.07.2023, but the amount was received prior to the issue date.</i>	Ministry of Defence based on their policy/Budget approved by Hon'ble Raksha Mantri transferred funds. Later it was communicated that Equity to be issued to President of India through JS(LS).
<i>The Annual return under Factories Act for the factory situated at Hazratpur was not available for inspection; compiled and made</i>	That the requested documents were not immediately available for inspection due to unforeseen circumstances. That we actively working to ensure the documents are available at the earliest possible time.
<i>The pollution certificate for factory situated at Avadi was not available for inspection ;</i>	That the Avadi Factory falls under the White Category of industries, as per the guidelines issued by the Central Pollution Control Board (CPCB). White Category industries are recognized for producing minimal or no pollution, and as a result, they are exempt from the requirement of obtaining a Pollution Control Certificate (Consent to Establish or Consent to Operate).
<i>Copy of the NOC with fire department were not available for inspection for all the establishments of the Company, however, management of the Company confirm that they have their in-house fire department;</i>	That the Company has in house fire department fully equipped and staffed to handle any fire safety requirements within the premises. Regarding the registration of the establishment with the local fire department, we will ensure compliance with any specific registrationb requirements or procedures, if applicable.
<i>Copy of title deeds were not available for inspection, only handing takeover correspondences are available in records;</i>	We would like to confirm that the title deed for the land is in the name of Ministry of Defence and the mutation of the land in favour of the company is currently under process.
<i>During the Audit Period, the non-functional Directors were less than 50% of the total of the DPE Guidelines, 2010;</i>	Troop Comforts Limited is a public sector undertaking with <i>Board Strength as required in clause 3.1.2</i> 100% equity shares held by Government of India. As per Article of Association of the Company, the power to appoint Director(s) vests with Hon'ble President of India. <i>not</i> That the management discussed the same with Ministry and the appointment is currently underway.
<i>During the Audit Period the Company does have Independent Directors as required In clause 3.1.4 of the DPE Guidelines, 2010;</i>	
<i>The company was required to appoint women director but failed to do so;</i>	
<i>The Company has not constituted audit Committee and Nomination & Remuneration Committee as required in clause 4 & 5 of the DPE Guidelines, 2010;</i>	It is pertinent to note that the power to appoint directors to the board is vested with the Hon'ble President of India . The process for appointing independent directors to the

<p><i>The company has CSR obligation of more than Rs. 50 lakh but not constituted CSR Committee in compliance with the Companies Act, 2013;</i></p>	<p>company's board is currently underway. As per the provisions of the Companies Act, 2013, a majority of the members of audit Committee and Nomination & Remuneration Committee must be independent directors. Given that the company currently does not have independent directors on its board, it has not yet constituted the Audit Committee and the Nomination & Remuneration Committee as required under Clause 4 & 5 of the DPE Guidelines, 2010. Once the appointment of independent directors is completed, the company will take immediate steps to form these committees in compliance with the applicable rules and guidelines. As previously mentioned, TLC currently does not have any independent directors on its board. In accordance with Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee must be constituted with at least three directors, one of whom should be an independent director.</p> <p>However, in light of the absence of Independent Directors, the Board of Directors, in their meeting held on 22nd March 2024, passed a resolution authorizing the existing board members to discharge the functions of the CSR Committee until such time that independent directors are appointed. This temporary measure has been adopted to ensure the company continues to meet its CSR obligations during the interim period.</p>
<p><i>The Company has failed to produce the copies of the insurance policies of its assets whereas Company undertakes that it has fully insured its assets as per the Hypothecation agreement executed with its lender i.e. SBI.</i></p>	<p>It is intimated that the insurance of assets for three of the production units are complete. The insurance of OEF Kanpur is under process and will be completed shortly.</p>

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Troop Comforts Limited
Report on the Audit of Indian Accounting
Standards Financial Statements

I. Qualified Opinion

We have audited the accompanying Indian Accounting Standards ("Ind AS") Financial Statements ("FS") of Troop Comforts Limited (the "Company") (CIN : U18109UP2021GOI150 744), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended and notes to the financial statements, including material accounting policies and other explanatory information, as approved by the Board of Directors thereafter few modifications were made based on our observations and above Ind AS FS were signed by the authorised signatories.

In our opinion and to the best of our information and according to explanations given to us, except for the effects of the matters described in **Basis for Qualified Opinion** section of our report, the aforesaid Ind AS FS give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2024 and its loss (including Other Comprehensive income), changes in equity and its cash flows for the year ended on that date.

II. Basis for Qualified Opinion

II.1 BALANCE SHEET

II. 1.1 PROPERTY, PLANT AND

EQUIPMENT(PPE) ₹ 4,24,188.13 lakhs

- (a) In the financial statements value and area of land as determined by the valuer vide his valuation report dated 14.01.2022 has been considered while the area of actual land acquired by TCL from the Directorate of Ordnance (C & S), MOD, differs from the area of actual land valued by the Approved Valuer. (Amount indeterminate). **(also refer note no. 2(i) (a),(b)& (d) of "Ind AS FS")**.
- (b) During the financial year 2023-24, few left out assets besides certain assets not belonging to TCL were identified during physical verification conducted by company. These left out assets, which could not be included in the inception year of 2021-22 and additions of ₹ 129.23 lakhs and deletion of ₹ 275.60 lakhs of various assets erroneously incorporated in the Financial Statement in the inception year, have been valued

and necessary adjustments have been made. The valuation of these assets were carried out by the same IBBI empanelled valuer M/s Adroit Appraisers and Research Private Limited (who had earlier carried out the valuation of the TCL Group) vide addendum report dated 25.01.2024 to the earlier valuation report dated 14.01.2022.

The deletion of three buildings of ₹ 236.37 lakhs (Shahjahanpur, Avadi & Kanpur) does not include land used for building and land appurtenant thereto. **(also refer note no. 22.3 of "Ind AS FS")**

II. 1.2

As per office Memorandum issued by Department of Defense Production No.1 (5) / 2021 / OF / DP(Plg-V)/01 dated 24th September, 2021 provisional Net Asset value of the company was determined at ₹ 3,658 crore which was subject to finalization within 3 months of the appointed date i.e 01.10.2021 in consultation with the Department of Defense Production (DDP). The final Net Asset value was determined at ₹ 4,506.17 crore without considering the following :

- Advances given to External Agencies against R & D project prior to 01st October, 2021 amounting to ₹ 56.79 lakhs and not considered in Balance Sheet of appointed date i.e. 01.10.2021.
- Matters referred in Para No.II.1.1 (a) and (b) and replies to para 2-A of Annexure '2' of our report.

II. 1.3

CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) ₹13498.02 lakhs

'Legal cases before court and tribunals' 13,056.27 lakhs in the absence of proper records the above details provided to us could not be verified. **(also refer note no. 22.9 of "Ind AS FS")**.

II. 1.4

Balances lying under the head Trade Receivables, Loans & Advances, Trade Payables, Security Deposits, Earnest Money Deposit, Inter Company (DPSU), Advances from Customers and Advances to Suppliers are subject to reconciliation and confirmation.

II. 1.5

The company has not disclosed the details relating to micro, small and medium enterprises in the Ind AS FS as required by Division II of Schedule III to the Act.

II. 1.6

The Company has not complied with the Order dt 22.01.2019 issued under section 405 of the Act, in respect of filing of MSME Form I.

II. 2 STATEMENT OF PROFIT AND LOSS

II. 2.1 Changes in Inventory of Finished Goods, Stock-in-trade and Work-in- Progress ₹ (1447.53) lakhs

In cases where the value of inventory has been taken at NRV/LPR as on 31st March, 2022 instead of weighted average cost and the effect of the change in value has not been given in PPC Software as on 1st April, 2023 has resulted in incorrect valuation of issues during the year and inventory as at 31st March, 2024.

II. 2.2 Rates & Taxes ₹ 815.50 lakhs

Vide Memo no.1(5)2021/OF/DP (Plg-V) 03 dated 24.09.2021 of Government of India, Ministry of Defence Land & Building of Non-production unit (comprising of Hospitals & Schools) at two places were not transferred to the company. However, company is providing Cantonment Board charges in respect of these assets of non-production units and had charged to its Profit & Loss account instead of claiming proportionate amount from Directorate of Ordnance Amount not ascertainable).

As a result of the aforesaid matters wherein impact on the financials of the Company is not ascertainable due to reasons as mentioned in respective paragraphs we are unable to determine, in totality, whether adjustments might have been found necessary in the Balance Sheet and the corresponding elements in making up the Statement of Changes in Equity, the Statement of Profit and Loss and the Statement of Cash Flows.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS FS 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

III. Emphasis of Matter

We draw attention to the following:

- (a) All the employees of Troop Comforts Limited are on deemed deputation of 3 Years from 1st October, 2021 to 30th September, 2024. Emoluments paid to these employees on deputation are depicted as Salaries, Wages, Bonus and other allowance including medical reimbursement. **(also refer note No. 19 (a) of "Ind AS FS")**
- (b) Age wise break up and other details of Capital Work-In- Progress, Intangible Assets Under Development, Trade Receivables and Trade Payables, as required by Schedule III (Division II) of the Act are as determined by the management and has been relied upon by us. **(also refer note No. 2(ii)(i), 2(iv)(j), 5 & 11 of "Ind AS FS")**
- (c) The closure certificate regarding construction of Bore well at OEF estate was received from the MES department on 16.05.2024. Accordingly, the same has been depicted as Projects in Progress as at 31st March, 2024. **(also refer note no 2(ii)(c) "Ind AS FS")**.
- (d) MOD vide their letter No. F8 (46)/2022-D (Coord / DDP) dt. 08.06.2022 nominated Troop Comforts Limited as Nodal Agency for setting up of Solar Panels / Solar Power Plant at all the establishments under MOD. The mandate is to do the job on turnkey basis from conceptualizing to commissioning on payment of mutually agreeable agency charges. Presently, Solar Power Project commissioning is going on at HAL Kanpur, Korwa & Lucknow and TCL has received an amount of 25.61 lakhs on 02nd July, 2024 for the services rendered as Nodal agency. **(also refer note No: 22.1 of "Ind AS FS")**.
- (e) We have relied upon the addendum report dated 25.01.2024 to the valuation report dated 14.01.2022 of the Insolvency and Bankruptcy Board of India (IBBI) Registered Valuer in respect of PPE and considered in the IND AS FS as at appointed date i.e. 01.10.2021 **(also referred note no. 22.3 of "Ind AS FS")**. Our opinion is not modified in respect of above matters.

IV.

Other Matters

Statutory Compliances:

1. Companies Act, 2013

- 1.1 During the year under audit the Company has not complied with the following sections:
 - Women Directors and Independent Directors as required under section 149(1) and (4) of the Act.
 - CSR Committee, Audit Committee and Nomination and Remuneration Committee as required under section 135, 177 & 178 of the Act.

2. Direct Taxes

- 2.1 Income Tax Deducted at Source (TDS)/TCS are subject to reconciliation with the Books of account and Quarterly Returns.
- 2.2 The head wise income as reported in Annual

Information System of Income Tax Department is subject to reconciliation with the Books of account.

3. Indirect taxes

Purchases and ITC as per books of account are subject to reconciliation with GST Portal.

- 4.** The OEF Hazratpur unit is required to pay solar power charges @ ₹ 4.50 per unit to BEL as per its own requirement in terms of Power Purchase Agreement entered into with BEL. Any excess generation over and above the requirement can be sold by BEL to any buying utility/DISCOM (clause 4.4.1 of power purchase agreement) after refusal from OEFHZ.

In the present scenario BEL is supplying entire solar power energy to OEFHZ who in turn is supplying to GRID/DISCOM at the rate of ₹2.00 per unit. The unit is losing ₹ 2.50 per unit against all the excess supplies made to GRID/DISCOM and are being adjusted from electricity expenses.

Our opinion is not modified in respect of above matters.

V. Information other than the Ind AS FS and Auditor's Report thereon

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 Ind AS FS and auditors' report thereon.

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

In connection with our audit of the Ind AS FS, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS FS 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 as Director's Report and other information forming part of Ind AS FS were not made available to us during the audit.

VI. Responsibilities of Management and those charged with Governance for the Ind AS FS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS FS that give a true and fair view of the financial position, financial performance,

total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS FS, that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Ind AS FS, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

VII. Auditor's Responsibilities for the Audit of the Ind AS FS

Our objectives are to obtain reasonable assurance about whether the Ind AS FS as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Ind AS FS.

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 Ind AS FS, 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS FS 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 auditors' 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 Ind AS FS, including the disclosures, and whether the Ind AS FS 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.

VIII.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1**, a statement on the matters specified in paragraphs 3 & 4 of the said Order, to the extent applicable.
- 2) We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2**, on the directions (including additional directions) issued by Comptroller and Auditor General of India (C&AG).
- 3) 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, except for the matters **described in Basis for Qualified Opinion paragraph and elsewhere of our report**;
 - b) Except for the possible effects of the matters described in para h(vi) below elsewhere in our report, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and returns have been received from the production and non production units for the purpose of audit;
 - 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) Except for the possible effect of the matter described in **Annexure-3** in our opinion, the aforesaid Ind AS FS comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) Being a Government Company pursuant to

the Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of section 164 of the Act, are not applicable to the Company;

f) With respect to the adequacy of the internal financial controls with reference to Ind AS FS of the company as on 31st March, 2024 and the operative effectiveness of such controls, refer to our separate **Report in Annexure-4**.

g) The provisions of section 197 of the Act are not applicable to a Government Company (in terms of MCA notification No. GSR 463 (E) dated 05th June, 2015), as the managerial remuneration is paid as per the appointment letter received from Government of India.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS FS (**also refer note no 22.9 of "Ind AS FS"**).

ii. The Company did not have any long-term contracts including derivative contracts for which it was required to make a provision towards material foreseeable losses under any law or Ind AS.

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

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("ultimate Beneficiaries") by or on behalf of the company or provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries;

(b) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the

understanding whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the ultimate Beneficiaries; and

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material mis-statement.

v. The Company has not declared dividend during the year (**also refer note No. 22.8 of "Ind AS FS"**).

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended is applicable from 1st April, 2023. Based on the examination and explanation given by the management, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility w.e.f. 04.05.2023 for all relevant transactions recorded in the respective softwares. However, in the absence of non availability of exceptional reports of audit trail features we are unable to comment on it whether the same has been tempered or not.

For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 24071912BKLBEC7143

Place: Kanpur
Dated: 22.07.2024

Annexure 'I' referred to in paragraph VIII (1) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on Companies (Auditor's Report) Order, 2020 under section 143(11) of the Act

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that :

(i) (a) (A) The Company has maintained records of Property, Plant and Equipment as described in Material Accounting Policy no. 5.3 of Ind AS FS.

(B) The Company has not maintained proper

records showing full particulars of intangible assets.

- (b) The PPE have been physically verified by the Management during the year. Material discrepancies noticed on such verification and the same has been properly dealt with in the books of account.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Ind AS FS are not held in the name of the company. The details are as follows:

Description Property	Gross Carrying value (₹ in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held of in the name of company
Land	3,99,106.77	Land held in the name of Government of India	No	Since 01.10.2021	The company is in the process of getting title transferred in its name pursuant to the scheme of corporatization. [also refer note no 2(i)(a),(b), (d) & (k) of "Ind AS FS"]
Building	24,025.54	Building held in the name of Government of India	No	Since 01.10.2021	The company is in the process of getting title transferred in its name pursuant to the scheme of corporatization [also refer note no 2(i)(k) of "Ind AS FS"]

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31st March, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management at reasonable intervals but in our opinion the coverage and procedure of such verification is not appropriate. No material discrepancies were noticed on such physical verification.

(b) State Bank of India has sanctioned a cash credit limit of ₹ 20,000 lakhs against hypothecation of entire current asset consisting of Raw material, Components, stock in process, Finished Goods, Store and spares, Book debts and

all other current assets of Company as primary security and entire Plant & Machinery and Other Moveable Fixed Assets as Collateral security. The limit has not been availed till 31.03.2024, hence no quarterly returns/ Statements are required to be filed by the Company with the State Bank of India. However, documents executed and the appropriate charges have been registered with the Registrar of Companies. **(also refer note no. 22.10 of "Ind AS FS")**

(iii) The Company has not made investments in, provided any guarantee or security, granted any loans, or advances in the nature of loans, to companies, firms, Limited Liability Partnerships or any other parties during the year.

In view of the aforesaid clause (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.

- (iv) The Company has not granted any loans or made any investment or provided any guarantee or granted any security in terms of Section 185 of the Act. Further, Section 186 of the Act is not applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company has appointed the Cost Auditor on 27th September, 2023 for the year under Audit but no report of the Cost Auditor was available to us hence, we are unable to express our opinion in compliance of sub-clause (vi) of the Order.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods & Service Tax, provident fund, employees state insurance, income tax, duty of customs, cess and any other statutory dues, wherever applicable, with the appropriate authorities, except the dues of Cantonment charges amounting to ₹23,904.11 lakhs.

- (b) There are no dues of Income Tax, wealth tax or service tax or duty of customs or duty of excise or value added tax, wherever applicable, as at 31st March, 2024, which have not been deposited on account of dispute, except the dues of Cantonment Charges amounting to ₹ 189.37 lakhs.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year.
- (ix) The Company has not taken any loans or borrowings during the year. Hence, this clause alongwith sub-clauses ix (a), ix(b), ix(c), ix(d), ix(e) & ix(f) are not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (b) The Details of the Funds received by the Company (other than against equity) upto 31.03.2024 is as given below:

S. No.	Name of the Funds	Amount Received (₹ in lakhs)
1.	Accrued Committed Liability	31266.00
2.	Capital Expenditure	704.00
3.	Emergency Authorization Fund	17,886.00
4.	Capital Expenditure	700.00
5.	Renewal Reserve Fund	626.00
6.	Renewal Reserve Fund	633.00
7.	Capital Expenditure	700.00
8.	Budgetary Support	8400.00

- Although certificate from Independent Chartered Accountant has been furnished to us but it does not contain the use of the funds for the purpose it was received from the Government of India. **(also refer note no. 22.4 of “Ind AS FS”)**
- (xi) (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under section 143(12) of “the Act” has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rule, 2014 (as amended) with the Central Government.
- (c) As informed by the management, no whistle-blower complaints were received during the year by the company. However in the absence of appropriate system/record we are unable to comment on it.
- (xii) The Company is not a Nidhi Company. Accordingly, sub clause (xii)(a), (b) and (c) of the Order are not applicable.

- (xiii) Transactions with the related parties, as identified by the management of the Company, are in compliance with Sections 177 and 188 of the Act wherever applicable.
- (xiv) (a) The company has an internal audit system however its coverage adequacy and scope is not commensurate with the size and nature of its business.
- (b) Four reports of four production units and two reports of non- production units (out of three units) of the Internal Auditors for the year under audit (submitted after the end of the year) have been considered.
- (xv) No non-cash transactions with directors or persons connected with them has been reported by the management.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence sub-clauses (a), (b), (c) & (d) of clause (xvi) are not applicable.

- (xvii) The company has incurred cash losses of ₹ 38257.07 lakhs during the year under audit; however no cash loss was incurred preceding year.
- (xviii) There has been no resignation of the Statutory Auditors during the year. Hence, clause (xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios disclosed in **Note No 22.12 of “Ind AS FS”** ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the plans of the Board of Directors and Management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the

date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company does not have any unspent amount under sub-section (5) of section 135 of the Act, in respect of any ongoing or other than ongoing project as at the expiry of the financial year.
- (xxi) This clause is not applicable.

For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 24071912BKLBE7143

Place: Kanpur
Dated: 22.07.2024

Annexure '2' referred to in paragraph VIII (2) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on Directions/Additional directions of the C & AG of India under section 143(5) of the Act.

S. No.	Directions /Additional directions of the C&AG of India under section 143(5) of the Act.	Auditor's Comment	Impact on Ind AS FS
1	Directions of the C&AG :-		
A	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of accounts financial implications, If any, may be stated.	<p>The Company do not have a system, in place, to process all the accounting transactions through IT system.</p> <p>The Company uses in respect of with the each of its production along and non- production units Tally (Prime) software for financial transactions. The consolidated file generated by the Tally (Prime) software is separately incorporated in MS excel for consolidation purposes as per schedule III to the Act.</p> <p>PPC customized software is being used for recording of inventory and employee benefits. Other entries (Cash, Bank, Receipts, Payments, Credit & Debit Note and Journal) are being passed in Tally (Prime) at fixed interval after making certain adjustment manually.</p> <p>The Company has prepared and consolidated its financial statements in MS excel without integration of the aforesaid softwares.</p>	Not ascertained.
B	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan /interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for ? (In case, the lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	The Company has not raised any loan during the financial year ended 31st March, 2024. Hence this clause is not applicable.	Not Applicable.

C	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Please refer to our reply to clause no. X (b) of Annexure No.1 referred to in Independent Auditor's Report of even date of para no.VIII (1) on the Ind AS FS.	Not ascertainable.
2	Additional Directions of the C&AG:-		
A	Whether the migration of Assets and Liabilities on the date of transfer (Appointed date) from the erstwhile OFB which remain incomplete as of 31st March, 2023 has been completed during the financial year 2023-24? If there is any deviation; the reasons, nature of deviation and its impact on the financial statements may be stated.	<p>The company has migrated assets and liabilities of erstwhile ordnance factories to the newly formed DPSU subject to the following:</p> <p>As per office Memorandum issued by Department of Defense Production No.1(5)/2021/OF/DP (Plg-V)/01 dated 24th September, 2021.</p> <p>1) Provisional Net Assets value of the company was determined at ₹ 3658 crore. The said sum was subject to finalization of the transfer value within 3 months of the Appointed date in consultation with the Department of Defence Production (DDP). The final Net Assets value determined was ₹ 4506.17 crore only while as per Balance Sheet as at appointed date approved by board net asset value comes to ₹ 4505.16 crore. (also refer to note no. 22.3 of "Ind AS FS" & para no.II.1.2 of Independent Auditor's Report of even date)</p> <p>Further with regard to deficiencies:</p> <p>a) Valuation of land</p> <p>b) Provision for Slow/ Non Moving items (identified by the Company as at 31.03.2023) against the stock as on appointed date.</p>	Not ascertainable.

		<p>c) The company has considered the amount of ₹ 28640 lakhs in Net assets value as against committed liability fund of ₹ 31266 lakhs received from the Government of India.</p> <p>d) The adjustments of unreconciled difference of ₹ 847.16 crore in the Net Assets value as per valuation Report and as per Balance Sheet compiled on 01.10.2021 and approved by the Board on 23.08.2022</p> <p>e) The adjustments of three addendum reports of approved valuer dated 12.01.2023, 28.04.2023 & 25.01.2024 of the original report dated 14.01.2022 as follows :</p> <p>(i) Financial Year 2022-2023 Additions of ₹ 550.70 lakhs</p> <p>(ii) Financial Year 2023 - 2024 Additions of ₹ 129.23 lakhs and deletion of ₹ 275.60 lakhs</p> <p>(f) Besides above effects of adjustments, if any during the FY 2022-23 & 2023-24 other adjustments are passed through TCL HQ account. In view of the above we are unable to comment whether all the discrepancies have been rectified or not till 31st March, 2024</p>	
B	Whether the company has carried out reconciliation exercise pertaining to intercompany/intracompany balances at the year end? Whether the confirmations have been obtained from the other DPSUs for balances due to/due from them at the year end? The reasons for unreconciled balances, if any, alongwith the unreconciled amount may be stated.	<p>Yes, the Company has carried out reconciliation exercise pertaining to intra company balances at the year end.</p> <p>In respect of reconciliation of balances of DPSUs, (as per Annexure- I), due to non availability of balance confirmation and statement of accounts we are unable to comment whether these balances are reconciled or not.</p>	Not ascertainable.

C	<p>Whether the Company has revised any of its Accounting Policies or adopted any new Accounting Policy in accordance with the prudent accounting principles and applicable Ind AS? Whether the changes in accounting policies have been properly disclosed? Inconsistency, if any, along with the impact of the same on the financial accounts may be stated.</p>	<p>The Company has neither revised any of its Accounting policy nor adopted any new Accounting Policy during the year as compared to the previous year.</p> <p>The DPSU has framed accounting policies as per the provision of Ind AS and in accordance with prudent accounting principal applicable to defense sector. For inconsistency refer Annexure No. 3 of Independent Auditor's Report of even date.</p>	<p>No impact on the Ind AS FS of the Company.</p>
D	<p>Whether the provision of employee benefit liabilities and their valuation on the date of formation of DPSUs have been made in accordance with the provisions of Ind AS? Deviation, if any, may be stated.</p>	<p>For provision of employee benefit liabilities and their valuation on the date of formation of DPSU (also refer to Material Accounting policy no. 19 Employee Benefits of “Ind AS FS”).</p>	<p>No impact on the Ind AS FS of the Company.</p>
E	<p>As per Department of Defence Production, MoD, GoI letter No. I(5)/2021/OF/DP(Plg-V)/02 dated: 24/09/2021, no provision of liability in respect of pension contribution towards employees on deemed deputation is required to be made in the Financial Statements of DPSUs. Whereas Ministry of Defence instruction on deemed contracts (Article 3.2) issued to the DPSUs stipulates that nothing more than the contract price referred to in Article I shall be payable. Whether the contract price referred to in Article I includes the cost element of pension contribution? If so, the efficacy of MoD instruction of 24/09/21 vis - a - vis applicable provisions of Ind AS and its impact of Financial Statements of the DPSUs for the last two and half years ended 31 March 2024 may be stated.</p>	<p>As per information and explanation given by management that:-</p> <p>As per the OM No.1(5)/2021/OF /DP(Plg-V)/02 dt.24.09.2021, the pension liabilities of the retirees and existing employees will continue to be borne by the Government from the Ministry of Defence (“MoD”) budget for Defence Pensions.</p> <p>Accordingly, the Company does not make any provision of liability in Financial Statements in respect of pension contribution towards employees on deemed deputation.</p> <p>The cost of an item is predominantly comprised of labour, material and overhead. Since pension liability is not a part of labour /OH cost therefore it is hereby confirmed that cost element on the account of pension contribution has not been accounted for in the Cost.</p>	<p>Not applicable.</p>

F	The company had issued equity share capital to the Government of India inter alia on the basis of market value of the Land as mentioned in the MoD, Department of Defence Estate, New Delhi letter No.757/02/L/DE/PROJ/2021 dated: 10/06/22. Whether the Market Value of the Land has been reflected in the Financial Statements of the DPSUs? If so, whether the issue of Share capital on the basis of Market Value is in consonance the Paragraph D7AA of Ind AS 101? If not, the impact on Financial Statements of the company as well as the appropriate valuation method may to be adopted by the company may be stated.	The Company has issued equity share capital to the Government of India on the basis of fair value of Land as determined by the approved valuer as on appointed date. However, which is subject to adjustments (also refer to in note no 22.3 of “Ind AS FS” and Para No II.1.1(a) & (b) of Independent Auditor's Report of even date).	Not ascertainable.
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For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 24071912BKLBEC7143

Place: Kanpur
Dated: 22.07.2024

Annexure 'I' referred to in paragraph 2(B) of Annexure 2 under the heading Report on Directions/Additional directions of the C&AG of India under section 143(5) of the Act. (₹ in Lakhs)

S.No.	Name of DPSU	Balance as per TCL
1.	Advance Weapons and Equipments India Limited (AWEIL)	118.44 (Dr)
2.	Gliders India Limited (GIL)	49.59 (Dr)
3.	Yantra India Limited (YIL)	169.77 (Dr)
4.	Munitions India Limited (MIL)	313.97 (Dr)
5.	Armoured Vehicle Nigam Limited (AVNL)	177.66 (Dr)
6.	India Optel Limited (IOL)	8.47 (Cr)

For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 24071912BKLBEC7143

Place: Kanpur
Dated: 22.07.2024

Annexure '3' referred to in paragraph VIII (3)(d) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on compliance of Indian Accounting Standards ("Ind AS") issued by ICAI

1. Ind AS-40 INVESTMENT PROPERTY

The company has not separately disclosed the value of properties in the nature of 'Investment Property' alongwith the depreciation thereon which the company has given on lease to outsiders and is earning rental income as required in para no. 5(a) of INDAS 40.

Place: Kanpur

Dated: 22.07.2024

Despite deviations as stated herein above, the company in its Ind AS FS has not stated the reasons for deviations and the financial effect arising out of such deviations as required by section 129(5) of the Act.

For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 24071912BKLBE7143

Annexure '4' referred to in paragraph VIII (3)(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls with reference to the Ind AS FS under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Troop Comforts Limited ("the Company")** as of 31st March, 2024 in conjunction with our audit of the Ind AS FS of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's management and Board of Directors is responsible for establishing and maintaining internal financial controls with reference to the Ind AS financial statements based on the 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 ('ICAI'). 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 for the Audit of the Internal Financial Controls with Reference to Ind AS FS

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Ind AS FS based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the

Act, to the extent applicable to an audit of internal financial controls with reference to the 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 the Ind AS FS established and maintained and if such controls operated effectively in all material respect.

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

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

Meaning of Internal Financial Controls with reference to the Ind AS FS

A company's internal financial control with reference to the Ind AS FS is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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

Inherent Limitations of Internal Financial Controls with reference to the Ind AS FS

Because of the inherent limitations of internal financial controls with reference to the Ind AS FS 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 the Ind AS FS to future periods are subject to the risk that the internal financial control over financial report may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanation given to us and based on our audit, the following material weaknesses have been observed during the course of audit:

1. Value of ₹ 21,85,400/- DG Genset of 1010KVA transferred from Hazratpur unit to Shahajahanpur unit during the year 2016 was not accounted for in the books of Shahajahanpur unit till March, 2023.

Place: Kanpur
Dated: 22.07.2024

2. The cases of additions worth ₹ 129.23 lakhs and deletions worth ₹ 275.60 lakhs in PPE during the year 2023-24 which were left out/wrongly added since inception. **(also refer note no. 22.3 of "Ind AS FS")**.

3.1 Apart from Tally Software company has got four other softwares (namely Revenue, PPC, Payroll & PPE) for maintenance of accounts. However only R-Vouchers are being manually prepared for all types of transactions (Cash, Bank, Receipts, payments, Credit and Debit Note & Journal).

3.2 Tally generated vouchers are not printed, signed and kept separately.

4.1 It has been noticed that the goods/stock is being transferred to other production units of TCL, on the basis of Outward Gate Pass by the transferor unit but Inter Factory Demand from the recipient unit is raised after receipt of the material.

4.2 It is noticed that gate pass is prepared for movement of goods within factory even when the goods have not crossed outer factory gate.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to the Ind AS FS and such internal financial controls over financial reporting were operating effectively as of 31st March, 2024 based on the internal financial control with reference to the Ind AS FS 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 ICAI.

For V.P. ADITYA & COMPANY
CHARTERED ACCOUNTANTS
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
PARTNER
M.No. 071912
UDIN: 24071912BKLBE7143

TROOP COMFORTS LIMITED

STATUTORY AUDIT

FY 2023-24

Annexure-G

Observations proposed to be considered in Independent Auditor's Report including enumerated in Annexure No. 1, 2, 3 & 4

S. No.	Particular	Comments of Management
I.	Independent Auditor's Report	
1.	<p><u>Property, Plant & Equipment (PPE) :</u> ₹ 4,24,188.14 lakhs</p> <p>During the financial year 2023-24, few left out (not accounted) assets besides certain assets not belonging to TCL were identified during physical verification conducted by company. These left out assets, which could not be included in the inception year of 2021-22 and additions of ₹129.23 lakhs and deletion of ₹ 275.60 lakhs of various assets erroneously incorporated in the Financial Statement in the year, have now been valued and necessary adjustments have been made. The valuation of these assets were carried out by the IBBI empanelled valuer M/s Adroit Appraisers and Research Private Limited (who had earlier carried out the valuation of the TCL Group) vide addendum report dated 25.01.2024 to the valuation report dated 14.01.2022. (also refer Note No. 22.3 of IND AS FS).</p> <p>The cost of buildings relating to School and Hospitals located at Shahjahanpur, Avadi & Kanpur worth ₹ 236.37 lakhs deleted (removed from record) does not include value of land on which such buildings are constructed and also land appurtenant thereto. (also refer Note No. 2 of IND AS FS)</p>	<p>As per OM No. 1(5)/2021/OF/ DP(Plg-V)/01 dt 24.09.2021 (ANNEX-1), the entity of Hospital and School were demarcated separately, which were though under same administration in erstwhile OFB arrangement where the buildings were part of capital register of respective units.</p> <p>While carrying out the physical verification exercise of assets during current year, it was noted that certain buildings belonging to hospital were included in the original valuation. Therefore, an addendum was obtained from the IBBI registered valuer for the proper accounting treatment of these assets not belonging to TCL.</p> <p>Since land mutation is still not completed, therefore the land value will only be settled post title deed transfer of exact land.</p> <p>The broad details have been disclosed in ANNEX-1 to NOTE 2.</p>
2.	<p><u>Contingent Liabilities (to the extent not provided for):</u> ₹13,495.66 lakhs</p> <p><u>'Legal cases before court and tribunals' ₹ 13,056.27 lakhs</u></p> <p>In the absence of proper records the above details provided to us could not be verified. (also refer Note No. 22.9 of IND AS FS)</p>	<p>The complete record (comprising of 12 pages) has already been submitted to audit depicting the case No. and best estimated Contingent liability mentioned against that case. The details are submitted once again as ANNEX- 2.</p>
3.	<p>CPC while processing ITR of FY 2022-23 had charged an Interest amounting to ₹ 50,61,925/- (u/s 234B & 234C amounting to ₹ 16,07,880/ and ₹ 34,54,045/- respectively). Company had filed a petition dated 09th July, 2024 for waiver of same in line with CBDT notification No. 400/129/2002-IT(B)] Dated 26th June, 2006 in the subject</p>	<p>As suggested the amount has been provided in the books of Accounts.</p>

	<p>matter. (also refer Note No. 22.6.2 of INDAS FS)</p> <p>In our opinion the amount of interest should be provided in the books of account.</p> <p>Since the amount of interest of ₹ 50,61,925/- has been deducted from the amount of refund allowed by the IT authorities and the eligible refund amount including interest for the delay has been paid to the company.</p>	
4.	<p>Balances lying under the head Trade Receivables, Loans & Advances, Trade Payables, Security Deposits, Earnest Money Deposit, Inter Company (DPSU), Advances from Customers and Advances to Suppliers are subject to reconciliation and confirmation.</p>	<p>Every data as sought by Audit has been provided by the Management.</p>
5.	<p>Trade Payables : ₹ 1130.43 lakhs</p> <p>Total Outstanding dues of MSME: ₹ 639.67 lakhs</p> <p>The management of the company has not received any memoranda from any of its suppliers claiming any amount payable as interest under the Micro, Small and Medium Enterprises Development Act, 2006, therefore, no provision has been made for the same. Delay is attributed to non submission of bills and supporting documents by the MSME firms for their claims of payment. (also refer note no. 11 of INDAS FS)</p> <p>Following disclosures have not been made as per the requirement of Schedule III (Division II) to the Companies Act, 2013 by the company :</p> <p>(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;</p> <p>(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;</p> <p>(c) the amount of interest due and payable for the period of delay in making payment(which have 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 ;</p>	<p>During the financial year 2023-24, the Company did not receive any intimation or memorandum from its suppliers, identified as Micro, Small, and Medium Enterprises, as defined under the Micro, Small, and Medium Enterprises Development Act, 2006, regarding the status of their MSME registration and any amount due to them. As a result, the Company has not made any provision for interest payable under the said Act.</p> <p>Further, it is noted that the delay in payment to certain MSME suppliers is attributed to the non- submission of bills and supportive documents by these MSME companies. In the absence of these critical documents, the Company was unable to verify and process the payments in a timely manner. The management has continuously followed up with the suppliers for the required documentation to expedite the payment process. The Company is committed to settling all dues promptly upon receipt of the necessary documentation. As on date the amount paid on account of interest paid is NIL since inception.</p>

	<p>(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and</p> <p>(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.</p>	
6.	<p>During the year under audit the Company has not constituted CSR Committee as required under section 135 of the Companies Act, 2013.</p>	<p>Appointment of Independent Directors in the Government Companies is being made by concerned Administrative Department of the Government of India, the Company has no control over such appointments. Multiple requests were made to the Ministry of Defence (MoD) for filling the vacant posts of Independent Directors in the Company, within the stipulated time. In this connection, the DDP letter dt. 07.11.2023 addressed to Addl. Secretary/Defence Production is relevant to take expeditious action in this context for appointment of Independent Directors on the Board of 07 New DPSUs (copy enclosed as ANNEX-3).</p>
7.	<p>Exceptional reports confirming the following have not been made available:</p> <p>(a) Whether Audit trial features in all software were not disabled or tempered at any time during the period 01.04.2023 to 31.03.2024. If yes, details may be provided.</p> <p>(b) All transactions recorded in all the software are covered in the Audit trial features</p> <p>Although Audit trial features were enabled w.e.f 04.05.2023 but not throughout the year.</p>	<p>a) As required by MCA., Audit Trail feature were introduced by company. It is hereby confirmed that no audit trail feature were ever disables or tampered.</p> <p>b) Both Tally & PPC are having the Audit Trail feature.</p> <p>All the accounting entries for FY 23-24 were started only after 04.05.2023 therefore it encompasses entire year.</p>
II.	Annexure No.1 to the Independent Auditor's Report	
8.	<p>State Bank of India has sanctioned a cash credit limit of ₹ 20,000 Lacs against hypothecation of entire current asset consisting of Raw material, Components, stock in process, Finished Goods, Store and spares, Book debts and all other current assets of Company, The limit has not been availed till 31.03.2024, hence no quarterly returns/ statements are required to be filed by the Company with the State Bank of India. However, the charges have been registered with the Registrar of Companies.</p>	<p>Correct. No CC Limit has not been availed. The confirmation letter from SBI is also submitted (ANNEX-4). The changes have been registered with Registrar of Company as per the statutory requirement.</p>
9.	<p>No Internal audit report has been furnished to us in respect of HQ Main (also refer note no. 22.2 of IND AS FS)</p>	<p>TCL is comprising of four production and two non-production units. The Internal Audit was therefore</p>

	<p>carried out for all these six units.</p> <p>HQ (Main) is the account only and not the unit. However, if advised then it will also be audited from future.</p>
<p>III. Annexure No. 2 to the Independent Auditor's Report Directions/Additional directions of the C&AG of India under section 143(5) of the Companies Act, 2013</p>	
<p>10. ACL- ₹31266.00 lakhs CAPEX- ₹704.00 lakhs EAF- ₹17,886.00 lakhs CAPEX- ₹700.00 lakhs RR Fund- ₹626.00 lakhs RR Fund- ₹633.00 lakhs CAPEX- ₹700 lakhs Budgetary Support- ₹8400.00 lakhs</p> <p>(also refer note no. 22.4 of IND AS FS) The utilization Certificate against the above funds till 31.03.2024 is not made available to us.</p>	<p>Besides mentioned amount, the funds of Rs ₹ 4507.00 lakhs and 7302.00 lakhs were also received under equity. The broad disclosure of all such funds received has been given under Note 22.4 of Financial statements.</p> <p>It is apprised that funds were received by the Government against issuance of corresponding equity. The details of all share certificates have also been given in in the remark column of the same note.</p> <p>In response to a query one Utilization Certificate depicting issuance of corresponding equity was forwarded to ministry and is enclosed herewith (ANNEX-5).</p>
<p>11. With regards to compliance of CAG Vide letter no. 547/T-458A/FAA/2024-25 dated 16.05.2024 requiring the following reported disclosure “As per Department of Defence Production, MoD, GoI letter No. I(5)/2021/OF/DP(Plg-V)/02 dated: 24/09/2021, no provision of liability in respect of pension contribution towards employees on deemed deputation is required to be made in the Financial Statements of DPSUs. Whereas Ministry of Defence instruction on deemed contracts (Article 3.2) issued to the DPSUs stipulates that nothing more than the contract price referred to in Article I shall be payable. Whether the contract price referred to in Article I include the cost element of pension contribution? If so, the efficacy of MoD instruction of 24/09/21 vis-à-vis applicable provisions of Ind AS and its impact of Financial Statements of the DPSUs for the last two and half years ended 31 March 2024 may be stated.</p> <p>The complete details/information on the above have not been furnished for verification and reporting.</p> <p>Annexure No. 4 to the Independent Auditor's Report.</p>	<p>As per the OM No. 1(5)/2021/OF/DP(Plg-V)/02 dt. 24.09.2021, the pension liabilities of the retirees and existing employees will continue to be borne by the Government from the Ministry of Defence (“MoD”) budget for Defence Pensions. Accordingly, the Company does not make any provision of liability in Financial Statements in respect of pension constitution towards employees on deemed deputation.</p> <p>The cost of an item is predominantly comprised of labour, material and overhead. Since pension liability is not a part of labour /OH cost therefore it is hereby confirmed that cost element on the account of pension contribution has not been accounted for in the Cost.</p>

We have observed the following deficiencies in the internal control	
<p>12. Apart from Tally Software company has got four software's (namely Revenue, PPC, Payroll & PPE) for maintenance of accounts. However vouchers (R-Voucher) are also being prepared for all types of transactions (Cash, Bank, Receipts, payments, Credit and Debit Note & Journal).</p>	<p>It is hereby explained that PPC package in itself is a very robust ERP package developed by IBM during 1998 and it had catered the entire functioning of 41 Ordnance Factories for more than two decades. The PPC is comprised of</p> <ul style="list-style-type: none"> i) Payroll ii) Inventory iii) Preparation of R/Voucher iv) Revenue – preparation of Issue Voucher etc. <p>However, to ascertain alignment with IND AS requirements and to prepare financial data, as an add on “Tally Prime” is being used. The proper Check & Balance System is already in place for ensuring payment authorization. Further, all vouchers have been taken on Tally Server for crosschecking during audit. Therefore, Tally generated voucher usage will only be a duplicity of job.</p>
<p>13. Tally generated vouchers are not being printed, signed and kept separately.</p>	<p>Tally vouchers are system generated, hence does not require signature. As explained above tally vouchers available on server function as a part of check and balance.</p>
<p>14. It has been noticed that the goods/stock is being transferred to other production units of TCL within factory premises, on the basis of Outward Gate Pass but Inter Factory Demand from the recipient unit is raised after receipt of the material. Thus the Production Issue Voucher is prepared by the issuer (transferor) unit at a later date. Thus inventory in PPC software and Physical inventory has not been reconciled unit wise as at 31st March, 2024.</p> <p>It is noticed that gate pass is prepared even when the goods have not crossed outer factory gate.</p>	<p>In certain isolated cases due to exigency of work and to ensure uninterrupted production, sometimes material is dispatched with nominal vouchers awaiting IFD. In this connection, three points are submitted for better understanding of the case:</p> <ul style="list-style-type: none"> i) Inventory report generated from PPC for all 4 units along with the physical verification report has been submitted to audit wherein SIT is only worth approx. 20 thousand. ii) An official correspondence is also enclosed intimating the factory to refrain from dispatches without proper documents. iii) SIT reconciliation chart was also submitted to audit. As such inventory stands fully reconciled.
<p>15. Value of ₹ 21,85,400/- DG Genset of 1010KVA transferred from Hazratpur unit to Shahjahanpur unit in 2016 was not accounted for in the books of Shahjahanpur till 2023.</p>	<p>The DG Set was indeed a left-out asset accounted for in FY 2023- 24 after addendum report. It has been added in Shahjahanpur unit.</p>



No ¹⁵⁶ /T-459/TCL/Accounts/2024-25 Dated ^{17th} September 2024

Confidential/Speed Post

कार्यालय
महानिदेशक लेखापरीक्षा
आयुध निर्माणियां
कोलकाता
OFFICE OF THE
DIRECTOR GENERAL OF AUDIT
ORDNANCE FACTORIES
KOLKATA

To,
The Chairman & Managing Director
M/s Troop Comforts Limited
Kanpur

Subject :- Comment under Section 143 (6) of the Companies Act 2013 on the Accounts of M/s
Troop Comforts Limited Kanpur for the year ended 31 March 2024

Sir

I am to forward herewith Comments of the Comptroller and Auditor General of India
under Section 143 (6) (b) of the Companies Act 2013 on the Financial Statements of M/s Troop
Comforts Limited Kanpur for the year ended 31 March 2024.

Receipt of this letter may kindly be acknowledged.

Encl :- As stated.

Yours faithfully,


(Sarat Chaturvedi)
Director General of Audit
(Ordnance Factories)
Kolkata

'आयुध भवन' 10/ए, शहीद खुदीराम बोस रोड (पूर्वी खंड, 8वां तल), कोलकाता - 700 001

'AYUDH BHAWAN' 10/A, SHAHEED KHUDIRAM BOSE ROAD (EAST WING, 8TH FLOOR) KOLKATA - 700 001
PHONE : 2248-2857, 2243-6341 • FAX : 2248-3291
E-Mail : pdaof@cag.gov.in

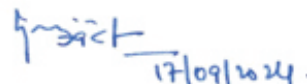
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF M/s TROOP COMFORTS LIMITED, KANPUR FOR THE YEAR
ENDED 31 MARCH 2024**

The preparation of Financial Statement of M/s Troop Comforts Limited, Kanpur for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (7) of the Act is responsible for expressing opinion on these Financial Statements under Section 143 of the Act based on independent Audit in accordance with the Standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 July 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the Financial Statement of M/s Troop Comforts Limited, Kanpur for the year ended 31 March 2024 under Section 143 (6) (a) of the Act. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 143 (6) (b) of the Act.

**For and on behalf of
The Comptroller and Auditor General of India**


17/09/2024

**(Sarat Chaturvedi)
Director General of Audit
(Ordnance Factories)
Kolkata**

**Place: - Kolkata-1
Dated: 17 September 2024**

BALANCE SHEET

AS AT 31ST MARCH, 2024

₹.in Lacs

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I ASSETS			
A. Non-Current Assets			
(a) Property, Plant and Equipment	2 (i)	424,188.13	426,012.10
(b) Capital work-in-progress	2 (ii)	347.84	186.00
(c) Other Intangible Assets	2 (iii)	333.71	1.04
(d) Intangible Assets under Development	2 (iv)	115.66	-
(e) Financial Assets			
(i) Security Deposits	3	332.80	320.00
(ii) Bank Deposits	3	99.01	527.91
(f) Deferred tax assets (net)	10	9,702.60	-
(g) Other non current assets	-	-	-
Total Non Current Assets		435,119.75	427,047.05
B. Current Assets			
(a) Inventories	4	7,134.86	9,418.90
(b) Financial Assets	-	-	-
(i) Trade receivables	5	1,377.92	17,798.40
(ii) Cash and Cash Equivalents	6	58,123.63	62,063.98
(iii) Bank balance other than (ii) above	7	55,410.33	10,307.44
cash and cash equivalents			
(c) Current Tax Assets (Net)	8	1,169.24	1,566.30
(d) Other Current Assets			
Total Current Assets		123,215.98	101,155.02
TOTAL ASSETS		558,335.73	528,202.07
II EQUITY AND LIABILITIES			
A. EQUITY			
(a) Equity Share capital	9 (i)	484,942.77	474,314.82
(b) Other Equity	9 (ii)	(18,494.40)	10,968.74
Total Equity		466,449.37	485,283.55
B. LIABILITIES			
Non-Current Liabilities			
(a) Financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)		-	632.00
(d) Other non-current liabilities		-	-
Total Non Current Liabilities		-	632.00
Current Liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings		-	-
(ii) Trade payables			
(a) Total outstanding dues of MSME	11	639.68	503.67
(b) Total outstanding dues of other than MSME	11	490.75	69.24
(b) Other current liabilities	12	87,388.24	38,180.74
(c) Short-term Provisions	13	3,368.69	2,329.05
(d) Current Tax Liabilities (Net)		-	1,203.82
Total Current liabilities		91,887.36	42,286.52
Total Liabilities		91,887.36	42,286.52
TOTAL EQUITY AND LIABILITIES		558,335.73	528,202.07

Note 'I' to '22' attached herewith form integral part of the Financial Statements As per our Report attached

For V.P. ADITYA & COMPANY

Chartered Accountants
(FRN: 000542C)

**Sd/
(CA SURENDRA KAKKAR)**

Partner
M.No. 071912
UDIN: 24071912BKLBE7143

Place: Kanpur
Dated: 22.07.2024

For and on behalf of Board of Directors

**Sd/
(VIJAY KUMAR TIWARI)**
Chairman & Managing Director
DIN: 09282247

**Sd/
(DR. SANJEEV KUMAR SAXENA)**
Director (Finance) & CFO
DIN: 09315421

**Sd/
(SURESH KUMAR GUPTA)**
Company Secretary
M No.11059

STATEMENT OF PROFIT & LOSS

AS AT 31ST MARCH, 2024

₹.in Lacs

S.No.	Particulars	Note No.	As at 31 st Mar 2024	As at 31 st Mar 2023
	REVENUE			
I	Revenue from Operations	15	28,036.48	99,767.14
II	Other Income	16	6,312.29	4,862.57
III	Total Income (I + II)		34,348.77	104,629.71
	EXPENSES:			
IV	Cost of Materials Consumed	17	11,997.51	34,031.00
	Purchases of Stock-in-Trade			
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	18	(1,447.53)	1,113.75
	Employee Benefits Expense Finance Cost	19	50,424.34	50,997.60
	Finance Cost		-	-
	Depreciation and Amortization Expense	2	1,970.49	2,525.09
	Other Expenses	20	12,053.30	12,499.33
	Total Expenses (IV)		74,998.11	101,166.77
V	Profit/(Loss) before Exceptional items and tax (III-IV)		(40,649.34)	3,462.94
VI	Exceptional Items		-	-
VII	Profit/(Loss) before tax (V-VI)		(40,649.34)	3,462.94
VIII	Tax expense:			
	(a) Current Tax	14	-	1,199.11
	(b) Tax Related to Earlier Years		(7.29)	-
	(c) Deferred Tax	10	(10,334.60)	368.85
IX	Profit/(Loss) for the year from Continuing Operations (VII-VIII)		(30,307.45)	1,894.98
X	Profit/(Loss) from Discontinued Operations		-	-
XI	Tax expense of Discontinued Operations		-	-
XII	Profit/(Loss) from Discontinuing operations (after tax) (X-XI)		-	-
XIII	Profit/(Loss) for the year (IX + XII)		(30,307.45)	1,894.98
XIV	Other Comprehensive Income			
	A. (i) Items that will not be reclassified to profit or loss		-	(2,695.77)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	(4,143.52)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	1,447.75
XV	Total Comprehensive Income for the year (XIII+XIV) (Comprising Profit/ (Loss) and Other comprehensive Income for the year)		(30,307.45)	(800.80)
XVI	Earnings/(loss) per Equity Share (for continuing Operations) :			
	(1) Basic	21	(0.63)	0.04
	(2) Diluted		(0.63)	0.04
XVII	Earnings/(loss) per Equity Share (for discontinued & continuing operations) :			
	(1) Basic			
	(2) Diluted			

Note 'I' to '22' attached herewith form integral part of the Financial Statements As per our Report attached

For V.P. ADITYA & COMPANY

Chartered Accountants
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)

Partner
M.No. 071912
UDIN: 24071912BKLBEC7143

Place: Kanpur
Dated: 22.07.2024

For and on behalf of Board of Directors

Sd/
(VIJAY KUMAR TIWARI)
Chairman & Managing Director
DIN: 09282247

Sd/
(DR. SANJEEV KUMAR SAXENA)
Director (Finance) & CFO
DIN: 09315421

Sd/
(SURESH KUMAR GUPTA)
Company Secretary
M No.11059

STATEMENT OF CASH FLOW

AS AT 31ST MARCH, 2024

₹.in Lacs

Particulars		As at 31 st March 2024	As at 31 st March 2023
Cash flow from Operating Activities			
Net profit as per profit and loss a/c		(30,307.45)	1,894.98
Add: Depreciation and amortisation		1,970.49	2,525.09
Add: Current tax		-	1,199.11
Add: Deferred Tax		(10,334.60)	368.85
		(38,671.56)	5,988.03
Less: Dividend/Interest income received		(3,979.72)	3,715.09
Operating profit before working capital changes		(42,651.29)	2,272.94
Changes in working capital			
Increase/(Decrease) in Trade Payables		557.53	(2,880.52)
Increase/(Decrease) in Provisions		1,039.63	1,350.70
Increase/(Decrease) in Other Current Liabilities		51,833.45	1,963.02
(Increase)/Decrease in Inventories		2,284.04	973.15
(Increase)/Decrease in Other Current Assets		(44,574.65)	14,675.16
(Increase)/Decrease in Trade Receivables		16,420.48	(15,900.81)
(Increase)/Decrease in Other Non current assets		-	-
Net change in working capital		27,560.48	180.70
Cash generated from operations		(15,090.81)	2,453.64
Current Tax		(1,335.00)	397.76
Cash (Used) / Generated From Operating Activities [A]		(16,425.81)	2,055.88
Cash flow from Investing Activities			
(Purchase) / Sale of fixed assets			
(I) Tangible Assets		(305.01)	193.04
(ii) Intangible Assets		(338.66)	(0.26)
(iii) Capital work in progress		(161.84)	(40.00)
(iv) Intangible assets under development		(115.66)	-
Proceeds from sale of fixed assets		13.75	-
(Purchase) / Sale of Non Current Financial Assets		416.09	(643.79)
(Purchase) / Sale of Current Investments			16,476.05
Dividend/Interest income received		3,979.72	3,218.99
Cash (Used) / Generated from Investing Activities [B]		3,488.39	19,204.03
Cash flow from Financing Activities			
Share capital issued		700.00	18,586.00
Changes in Other Equity		8,297.07	7,435.87
Increase/(Decrease) in Short term loans and advances		-	-
Increase/(Decrease) in Long Term Loans and Advances			
Increase/(Decrease) in Long Term Borrowings		-	-
Increase/(Decrease) in Short Term Borrowings		-	-
Increase/(Decrease) in Long Term Liabilities		-	-
Dividend paid including distribution tax			
Cash (Used) / Generated From Financing Activities [C]		8,997.07	26,021.87
Net Increase/(Decrease) in cash and cash equivalents during the year D= A+B+C		(3,940.35)	47,281.78
Cash and cash equivalents at the beginning of the year		62,063.98	14,782.20
Cash and cash equivalents at the end of the year		58,123.63	62,063.98
Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
Cash and Cash equivalents above comprises of the following			
Cash and cash equivalents	6	58,123.63	62,063.98
Balances as per statement of Cash Flows		58,123.63	62,063.98

For V.P. ADITYA & COMPANY

Chartered Accountants

(FRN: 000542C)

Sd/

(CA SURENDRA KAKKAR)

Partner

M.No. 071912

UDIN: 24071912BKLBEC7143

Place: Kanpur

Dated: 22.07.2024

For and on behalf of Board of Directors

Sd/

(DR. SANJEEV KUMAR SAXENA)

Director (Finance) & CFO

DIN: 09315421

Sd/

(VIJAY KUMAR TIWARI)

Chairman & Managing Director

DIN: 09282247

Sd/

(SURESH KUMAR GUPTA)

Company Secretary

M No.11059

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) AS AT 31ST MARCH, 2024

₹.in Lacs

Balance at the beginning of the Current Year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current Year	Changes in equity share capital during the current year	Balance at the end of the current Year
4,74,314.82	-	-	10,627.95	4,84,942.77

(2) AS AT 31ST MARCH, 2023

₹.in Lacs

Balance at the beginning of the reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current Year reporting period
5,212.00	-	-	4,69,102.82	4,74,314.82

For V.P. ADITYA & COMPANY

Chartered Accountants

(FRN: 000542C)

Sd/

(CA SURENDRA KAKKAR)

Partner

M.No. 071912

UDIN: 24071912BKLBEC7143

Place: Kanpur

Dated: 22.07.2024

For and on behalf of Board of Directors

Sd/

(VIJAY KUMAR TIWARI)

Chairman & Managing Director

DIN: 09282247

Sd/

(DR. SANJEEV KUMAR SAXENA)

Director (Finance) & CFO

DIN: 09315421

Sd/

(SURESH KUMAR GUPTA)

Company Secretary

M No.11059

STATEMENT OF CHANGES IN EQUITY

B. OTHER EQUITY

AS AT 31ST MARCH, 2024

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrants	Total		
			Statutory reserve	Capital reserve	Securities Premium account	Reserve for Deferred Tax	Debt instruments through Other Comprehensive Income	Equity	Effective portion of Cash Flow Hedges	Other Reserves for issuance of shares to GOI	Exchange differences on translating the financial statements	Capital redemption reserve			General reserve	Retained earnings
Opening Balance as at 1st Apr 2023	7,302.00	-	-	-	-	-	-	-	-	133.87	-	-	837.09	2,695.77	-	10,968.73
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,307.45)
Addition During the Year	8,400.00	-	-	-	-	-	-	-	-	(253.68)	-	-	-	-	-	8,146.32
Total	15,702.00	-	-	-	-	-	-	-	-	(119.81)	-	-	(29,470.36)	2,695.77	-	(11,192.40)
Other Comprehensive Income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Equity Shares	7,302.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,302.00
Balance as at 31st Mar, 2024	8,400.00	-	-	-	-	-	-	-	-	(119.81)	-	-	(29,470.36)	2,695.77	-	(18,494.40)

AS AT 31ST MARCH, 2023

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Statutory reserve	Capital reserve	Securities Premium account	Reserve for Deferred Tax	Debt instruments through Other Comprehensive Income	Equity	Effective portion of Cash Flow Hedges	Other Reserves for issuance of shares to GOI	Exchange differences on translating the financial statements	Capital redemption reserve	General reserve	Retained earnings	Other comprehensive	Money received against share warrants	Total
Opening Balance as at 1st Apr 2022	-	-	-	-	-	-	-	-	-	450,516.82	-	-	-	1,637.89	-	-	452,154.71
Profit/(Loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(800.80)	2,695.77	-	1,894.97
Addition During the Year	7,302.00	-	-	-	-	-	-	-	-	133.87	-	-	-	-	-	-	7,435.87
Total	7,302.00	-	-	-	-	-	-	-	-	450,650.69	-	-	-	837.09	2,695.77	-	461,485.55
Other Comprehensive Income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,695.77	-	-
Issue of Equity Shares	-	-	-	-	-	-	-	-	-	450,516.82	-	-	-	-	-	-	450,516.82
Balance as at 31st Mar, 2023	7,302.00	-	-	-	-	-	-	-	-	133.87	-	-	-	837.09	2,695.77	-	10,968.73

For V.P. ADITYA & COMPANY

Chartered Accountants

(FRN: 000542C)

Sd/

(CA SURENDRA KAKKAR)

Partner

M.No. 071912

UDIN: 24071912BKLBEC7143

Place: Kanpur

Dated: 22.07.2024

For and on behalf of Board of Directors

Sd/

(VIJAY KUMAR TIWARI)

Chairman & Managing Director

DIN: 09282247

Sd/

(SURESH KUMAR GUPTA)

Company Secretary

M No.11059

Sd/

(DR. SANJEEV KUMAR SAXENA)

Director (Finance) & CFO

DIN: 09315421

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH 2024

1. BASIS OF PREPARATION:

1.1 Statement of compliance:

The financial statements are prepared and presented in accordance with Indian Accounting Standards (IND-AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

1.2 Functional and presentation currency:

1.2.1 The financial statements are presented in Indian Rupees (₹), which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates.

1.2.2 All financial information presented in Indian Rupees (₹) has been rounded to the nearest lakhs except otherwise stated.

2. USES OF ESTIMATES

2.1 Preparation of financial statements in conformity with the recognition and the measurement principle of IND-AS requires the management of the Company to make estimates, judgments and assumptions that affects the reported balances of Assets and Liabilities, disclosure relating to contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expense for the reporting period.

2.2 Estimates and the underlying assumption are reviewed on an ongoing basis. The revision to the accounting estimates, if material is recognized in the period in which the estimates are revised.

2.3 Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

2.3.i Provisions and contingencies

Assessments undertaken in recognizing provisions and contingencies have been made as per the best judgment of the management based on the current available information.

2.3.ii Income Taxes

The Company's tax jurisdiction is of India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

3. OPERATING CYCLE

The company has considered its operating cycle to be 12 months for the purpose of current and non-current classification of Assets and liabilities.

4. PROPERTY, PLANT & EQUIPMENT (PPE)

4.1 As on 1st October-2021 company acquired the assets from the Government of India, valuation of such assets is done by the Insolvency and Bankruptcy Board of India (IBBI) Registered Valuer and values as determined by the Valuer are reckoned as the cost of acquisition of assets by the company.

4.2 In accordance with IND-AS 101-First Time Adoption of Indian Accounting Standards, the Company had chosen to consider the value as determined by the Valuer of all its PPE as their deemed cost as at 1st October-2021.

4.3 Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

4.4 The cost includes purchase price, import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable including borrowing cost on qualifying assets to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

4.5 Depreciation is calculated on straight line basis over estimated useful life as per the Depreciation policy of the company. Useful Life of the Assets are determined as under:

Sl.	Description	Estimated Useful Life
1	Building	60
2	Machines installed in Tool-Room & Production Shops	20
3	Ordinary Sewing Machine	15
4	High speed sewing machine	10
5	Motor Vehicle e.g. Diesel/Petrol/Electrically driven Trucks/All Kinds of Material Handling Equipments, Fork Lift Trucks, Dumpers, Tractors, Mobile Cranes etc.	5
6	Air Conditioners & Refrigerators	10
7	Air Circulators, Pedestal Fans, Exhaust Fans etc	20
8	Electrical mains, meters, installation	16
9	Electrical installation & Fans in Factory quarters	20
10	Computer Hardware, Peripherals, Server etc	7

4.6 Where the useful life of the asset is not defined in policy of company then useful life is taken as per Schedule II of the Companies Act 2013.

4.7 PPE whose balance useful life has expired, the carrying value have been retained and no further depreciation have been charged on those assets.

4.8 PPE items individually costing below ₹ 10,000 if any, purchased during the year, are fully depreciated in the year of purchase.

- 4.9 The cost and the related accumulated depreciation are eliminated from the Financial Statements upon sale or de-recognition or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss of the relevant period.

5. CAPITAL ADVANCES AND CAPITAL WORK IN PROGRESS (CWIP)

- 5.1 Advances given towards acquisition of PPE outstanding at each Balance sheet date are disclosed as other Non-current assets.
- 5.2 Cost of Assets not ready for its intended use as on the Balance sheet date is shown as CWIP. Such properties are classified to the appropriate categories of PPE when completed and ready for its intended use.
- 5.3 Company maintains Building / Machine register. Building / Machine is completed / installed and ready to use when clearance is done in all respect and Building Voucher / Machine Voucher is generated. Entry for such completed building / machine is recorded in such registers after generation of respective vouchers.
- 5.4 Depreciation on such assets commence when the assets are ready for their intended use.
- 5.5 Construction Period Expenses
- Revenue expenses exclusively attributable to projects incurred during construction period are capitalized.
 - Expenses in respect of capital facilities being executed along with the production / operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

6. INVESTMENT PROPERTY

- 6.1 A property is considered as investment property only if the same is held for earning rentals and /or for capital appreciation or both. Properties held by the Company (directly or indirectly) which are used in the production or supply of goods or services for administrative purposes are not considered as Investment Property.
- 6.2 The company holds properties other than factory land & buildings, administrative buildings which are used as residential quarters exclusively available for employees of the company. Such property held by the company for the purpose of facilitating the employees for which minimum license fees as per the norms of Central Government is charged are not considered as Investment property.

7. INTANGIBLE ASSETS

- 7.1 Intangible Assets controlled and from which future economic benefits are expected to flow and having useful life are recognized at cost less any accumulated amortization and accumulated impairment losses, if any.
- 7.2 Development Costs having useful life and which will generate probable future economic benefits are recognized as an intangible asset and amortized over

production based on technical estimate and to the extent not amortized are carried forward.

- 7.3 Expenditure on license fees, documentation charges etc, based on the definition criteria of intangible assets in terms of reliability of measurement of cost and future economic benefits from the assets, are amortized over production based on technical estimates and to the extent not amortized, are carried forward.

- 7.4 Wherever it is not possible to assess the useful life of an intangible asset (whether or not significant) the same is not amortized. Impairment on such intangible assets are reviewed annually and when there is an indication of impairment, the asset is impaired.

- 7.5 Company has acquired various Patents, copyrights and design registrations for the protection of its interest. However, considering dedicated productions for Armed Forces and Civil Sector, any assessment regarding future economic benefits is not possible to ascertain at this stage and any cost incurred in acquiring the intangible property is being charged to revenue expenditure. In case of any identification of future economic benefits accrued from existing/future IPRs (Intellectual Property Rights), the same will be amortized accordingly. All such registered Intangible assets will be initially measured at cost and subsequently at cost less accumulated amortization and cumulative impairment losses, if any. An intangible asset is derecognized on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses on de-recognition of intangible assets, if any, are recognized in the statement of profit and loss.

8. RESEARCH AND DEVELOPMENT EXPENDITURE

- 8.1 Expenditure on Research activity (if any) is recognized as an expense in the period when it is incurred.
- 8.2 Development expenditure (if any), (other than on specific development - cum sales contracts and Developmental projects initiated at customer's request), is charged off as expenditure when incurred. Developmental expenditure on development - cum - sale contracts and on Developmental projects initiated at customer's request are treated at par with other sales contracts. Development expenditure incurred in respect of Joint development projects which are not fully compensated by the development partner are carried forward where the company is nominated as a production agency and future economic benefits are expected. Developmental projects are reviewed periodically and the amount carried forward, if any, is charged off in the event of the project being declared closed by the customer / end user without any commitment to place order.
- 8.3 Expenditure incurred (if any) towards other developmental activity (including joint developmental activity in collaboration with external agencies) where the research results or other knowledge is applied for developing new or improved products or processes, are

recognized as an Intangible Asset if the recognition criteria specified in IND-AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

8.4 Expenditure incurred (if any) on Developmental projects for participating in No Cost No Commitment (NCNC) trials, are carried forward till conclusion of the trials and will be amortised over the orders to be received. In case customer order is immediately not forthcoming :

- The amount is capitalised if further economic benefit is expected from its use, or
- The amount is charged off in the event of the project being closed by the company.

9. LEASE ACCOUNTING

9.1 The Company recognizes, at inception of a contract of lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

9.2 The Company as a lessee -

Contracts with third party (if any), which give the company the right of use in respect of an Asset, will be accounted in line with the provisions of IND-AS 116 - Leases, if the recognition criteria as specified in the Accounting standard are met. Lease payments associated with Short term leases and leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable. At commencement date, the value of right of use is capitalized at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of property, plant and equipment. Subsequent measurement of right-of-use asset is made using Cost model. Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing. Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the Statement of Profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the IND-AS 116 are met.

9.3 Company as a lessor :

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in IND-AS 116 - Leases.

9.3.i Finance Lease (if any) :

At commencement date, amount equivalent to the net investment in the lease is presented as a Receivable. The implicit interest rate is used to measure the value of the net investment in Lease. Each lease payment is allocated between the Receivable created and finance income. The finance income is recognized in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease. The asset is tested for de-recognition and impairment requirements as per IND-AS 109 - Financial Instruments. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the IND-AS 109 are met.

9.3.ii Operating lease (if any):

The company recognizes lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required. Lease modifications, if any are accounted as a separate lease if the recognition criteria specified in the IND-AS 116 are met.

10. FINANCIAL ASSETS

10.1 Initial Recognition and Measurement

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

10.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets (if any) are classified in four categories:

- Debt instruments measured at amortized cost,
- Debt instruments measured at fair value through other comprehensive income (FVTOCI),
- Debt instruments, derivatives and equity instruments measured at fair value through profit or loss (FVTPL),
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

10.3 Derecognition

A financial asset or part of a financial asset is derecognised when the rights to receive cash flows from the asset have expired.

10.4 Trade and Other Receivables

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

The Company recognizes all Financial Assets other than

non-current investments and Financial Liabilities at Fair Value on inception & subsequent measurements are done at amortized cost.

Includes balances and deposits with banks that are restricted for withdrawal and usage.

11. CURRENT INVESTMENTS

- 11.1 Investments held for the period less than 12 months are recognized as current investments.
- 11.2 Investments are carried individually at cost less accumulated impairment in the value of such Investments.
- 11.3 Cost of Investment includes acquisition charges such as brokerage, fees and duties.
- 11.4 Impairment in the value of investment is made only if there is a permanent fall in value of investment in the opinion of management.
- 11.5 Investment in mutual funds (debt based fund) that are subsequently measured at fair value through profit or loss as per IND-AS 32 & IND-AS 109.
- 11.6 Gain on revaluation is recorded as other income being notional profit.

As a result, the tax base of the asset is adjusted and no temporary difference arises. Nevertheless, the future recovery of the carrying amount will result in a taxable flow of economic benefits and the amount that will be deductible for tax purposes will differ from the amount of those economic benefits. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset.

12. TRADE RECEIVABLES

- 12.1 Receivables represent the Company's unconditional right to consideration under the contract. The right to consideration is considered unconditional, if only passage of time is required before payment of that consideration is due.
- 12.2 Amount receivable from the Government departments are generally treated as fully recoverable, hence in the opinion of Management there is no increase in credit risk of such financial assets.
- 12.3 Impairment on account of expected credit loss is being assessed on a case to case basis in respect of dues outstanding for a significant period of time.

13. CASH AND BANK BALANCES

13.1 Cash and cash equivalents –

Includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than one year. These balances with banks are unrestricted for withdrawal and usage.

13.2 Other bank balances –

14. INVENTORIES

- 14.1 Inventories i.e. Finished Goods, Stores in Hand (SIH) (Raw Material, including slow moving and non-moving, spares, packing materials etc.) and Work In Progress (WIP) are valued at lower of Cost and Net Realizable Value. Values of SIH and WIP are compared in respect of weighted average moving rates and Last Paid Rate (LPR), whichever is lower to arrive at a fair assessment whereas Finished Goods are valued at Cost of Production (COP) or Value of Issue (VOI) whichever is lower.
- 14.2 Goods-in-Transit are valued at their respective issue voucher prepared on weighted average moving rate.
- 14.3 In the case of Finished Goods, Stock-in-Trade and Work-In-Progress, cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Taxes and duties (other than Taxes and duties for which input credit is available) form part of the cost.
- 14.4 Saleable / Disposable scrap is valued at weighted average rate of past sale price.
- 14.5 Consumables issued from stores and lying unused at the end of the year are not reckoned as inventory.
- 14.6 Items in stores in hand which is not drawn for period more than 3 years is considered as non-moving and the items not drawn for period between 1 year to 3 years is considered as slow moving.
- 14.7 In order to arrive at a fair value of these stores, Provisions for 10% of total value of slow moving items and 25% for Non Moving Items is to be made at the end of every financial year.

15. IMPAIRMENT OF ASSETS

- 15.1 At each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.
- 15.2 **Impairment of Financial Assets:**
 - In accordance with IND-AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.
 - 15.2.i Time barred dues from the government / government departments / government companies are generally not considered as increase in credit risk of such financial asset.
 - 15.2.ii Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.
 - 15.2.iii Dues outstanding for significant period of time are

reviewed and provision is made on a case to case basis. Impairment loss allowance (or reversal) is recognised as expense / income in the statement of profit and loss.

16. FINANCIAL LIABILITIES

16.1 TRADE PAYABLES

Liabilities for goods or services are recognized for the amounts to be paid for the goods / services received and accepted, whether billed by the supplier or not. Trade payable outstanding for period less than 12 months are recognized as current liabilities and payable outstanding for period more than 12 months are recognized as non-current liabilities.

16.1.i Initial Recognition and Measurement:

Financial liabilities are classified, at initial recognition, at fair value through profit or loss as loans, borrowings, payables, or derivatives, as appropriate. Loans, borrowings and payables, etc. (if any) are stated net of transaction costs that are directly attributable to them.

16.1.ii Subsequent Measurement:

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

16.2 Financial Liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined in IND-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

16.3 Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate method (EIR). Gains and losses are recognized as profit or loss when the liabilities are derecognized as well as through the EIR amortization process. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

16.4 Trade and Other Payables :

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

17. REVENUE RECOGNITION

17.1 REVENUE FROM OPERATION

Company is engaged in Manufacturing of Life Cycle Clothing (LCC), Extreme Cold Climate Items (ECC),

Special Clothing & Mountaineering Equipment (SCME), Supply Drop Equipment (SDE), Water Storage Equipment, Covers, Tentages, Leather Items, Arrestor Barrier and Drones etc.

17.2 Revenue on Sale of Goods and Services is recognized at a point in time when the Company satisfies the performance obligation on transfer of control of the products to the Customer, as per the terms and conditions of the contract, in an amount that reflects the consideration the Company expects to receive in exchange for those products pursuant to the Contract with customer.

17.3 Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

18. OTHER INCOME

18.1 Interest Income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

18.2 Recoveries of quarter license fee as fixed by the government for the time being in force from employees who live in quarters is considered as other income.

18.3 Recoveries from Vendors for non fulfilment of contract is considered as other income.

18.4 Gain on sale of debt mutual fund is recognized other income.

18.5 Notional gain on mutual fund due to fair value measurement as per IND-AS 113 is recognized as other income.

19. EMPLOYEE BENEFITS

19.1 In terms of Office Memorandum No.1(5)/ 2021/OF / DP (Plg-V)/02 dated 24.09.2021, all the employees of the TCL are on deemed deputation for a period up to 30th September'2024. Further as per the said office memorandum the retirement benefits shall be taken care by the Govt of India, therefore, once the employees opt to continue with TCL, policy shall be finalized for the defined benefit and defined contribution will be decided.

19.2 The employees on deemed deputation to the TCL (new DPSUs), shall continue to be subject to all the extant rules, regulations and orders as are applicable to the Central Government servants, including related to their pay scales, allowances, leave, medical facilities, career progression and other service conditions.

19.3 The pension liabilities of the retirees and existing employees will continue to be borne by the Government from the Ministry of Defense ("MoD") budget for Defense Pensions. For the employees recruited after 01.01.2004, National Pension Scheme applicable to the Central Government employees is in vogue and the same

is being adopted by the New DPSUs, including continuation of all special provisions applicable to Central Government employees under the National Pension System.

- 19.4 The conditions of payment of pensionary benefits to the employees of OFB on absorption to the New DPSUs would be regulated in accordance with Rule 37-A of the Central Civil Services (Pension) Rules, 1972.

19.5.i **Short term employee benefits:**

Employee benefits such as salaries, wages, short-term compensated absences, bonus, and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

19.5.ii **Defined contribution plans:**

The company does not have any superannuation scheme as all the employees working in the company are on deemed deputation and all superannuation obligations will be met by Government of India.

- 19.6 Medical reimbursement are accounted on payment basis.

20. FAIR VALUE MEASUREMENT

- 20.1 The Company measures financial instruments, such as derivatives and other items (if any) in its financial statements at fair value at each reporting date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

- 20.1.i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 20.1.ii. Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 20.1.iii. Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
- 20.1.iv. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

21. INCOME TAXES

- 21.1 Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961 (the "Act").
- 21.2 Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax Assets in excess of Deferred Tax Liability are recognized to the extent that it is probable that future taxable profits will be available against which

the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

22. PROVISION AND CONTINGENT LIABILITIES

- 22.1 A provision is recognized, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.
- 22.2 Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as Contingent Liability. Expected reimbursement, if any, is disclosed under Notes to Accounts.
- 22.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

23. ESTIMATES AND ERRORS

- 23.1 The Company revises its accounting policies if the change is required due to a change in IND-AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively unless it is impracticable to apply.
- 23.2 A change in an accounting estimate that results in changes in the carrying amounts of recognized assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.
- 23.3 When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is treated as a change in an accounting estimate.
- 23.4 Discovery of material errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities, and equity of the earliest prior period for which the error is discovered.

24. EVENTS AFTER THE REPORTING PERIOD

- 24.1 Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.
- 24.2 Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted.

25. SEGMENT REPORTING

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

26. CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in IND-AS 7- Statement of Cash Flows.

27. EARNINGS PER SHARE

- 27.1 The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.
- 27.2 Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

28. GOVERNMENT GRANTS

Government grants of revenue nature are recognized as income in statement of Profit & Loss on a systematic basis over the periods in which the expenses related to costs for which the grants are intended to compensate, are recognized as expenditure. Government grants related to assets, including non-monetary grants at fair value, are presented in the Balance Sheet by treating the grant as Deferred Income.

The grant is treated as Deferred Income and is recognized in the statement of Profit and Loss on a systematic basis over the useful life of the asset. Government assistance relating to the purchase / construction of property, plant and equipment are included in non-current liabilities as Deferred Income and are credited to Statement of Profit and Loss Account on a straight-line basis over the expected lives of the related assets.

For and on behalf of Board of Directors

For V.P. ADITYA & COMPANY
Chartered Accountants
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
Partner
M.No. 071912
UDIN: 24071912BKLBE7143
Place: Kanpur
Dated: 22.07.2024

Sd/
(VIJAY KUMAR TIWARI)
Chairman & Managing Director
DIN: 09282247

Sd/
(SURESH KUMAR GUPTA)
Company Secretary
M No.11059

Sd/
(DR. SANJEEV KUMAR SAXENA)
Director (Finance) & CFO
DIN: 09315421

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

Note No.2 : Property Plant & Equipment ₹ in Laacs

PARTICULARS	Gross Block				Accumulated Depreciation			Net Block	
	As at 1st April 2023	Additions/ Adjustment during the Year	Deductions / Adjustment during the Year	As at 31st March-2024	As at 1st April 2023	Depreciation For the Period	Deductions/ Adjustment during the Year	As at 31st March 2024	As at 31st March 2023
(i) 'Property Plant & Equipment									
(a) Land	399,106.77	-	-	399,106.77	-	-	-	399,106.77	399,106.77
(b) Building	24,192.65	69.27	236.37	24,025.55	2,404.19	1,177.96	47.68	20,491.08	21,788.46
(c) Plant and Machinery	5,740.87	111.30	43.53	5,808.64	1,145.93	689.54	5.67	3,978.84	4,594.94
(d) Furniture and Fixture	145.76	37.92	-	183.68	48.02	16.25	-	119.41	97.74
(e) Vehicles	416.45	65.03	15.29	466.19	132.96	82.43	2.07	252.87	283.49
(f) Office Equipment	141.00	76.01	0.18	216.83	87.70	26.71	-	102.42	53.30
(g) Computer and Servers	108.55	77.19	0.82	184.92	21.15	27.18	0.15	136.74	87.40
Total Property Plant & Equipments 2(i)	429,852.05	436.71	296.20	429,992.58	3,839.95	2,020.07	55.57	424,188.13	426,012.10
(ii) Capital work-in-progress Building	186.00	161.84	-	347.84	-	-	-	347.84	186.00
Total Capital Work in Progress 2(ii)	186.00	161.84	-	347.84	-	-	-	347.84	186.00
(iii) Other Intangible assets									
Software	1.25	0.41	-	1.66	0.21	0.28	-	1.17	1.04
Research & Development	-	338.25	-	338.25	-	5.71	-	332.54	-
Total Other Intangible assets 2(iii)	1.25	338.66	-	339.91	0.21	5.99	-	333.71	1.04
(iv) Intangible Assets Under Development Internally Developed	-	-	-	-	-	-	-	115.66	-
Total Intangible Assets Under Development 2(iv)	-	115.66	-	115.66	-	-	-	115.66	-
Total	430,039.30	1,052.87	296.20	430,795.99	3,840.16	2,026.06	55.57	424,985.34	426,199.14
Previous Year Figure	430,192.09	1,101.54	1,254.33	430,039.30	1,315.08	2,534.03	8.94	426,199.14	428,877.01

- a) The area of land acquired by the company from the Directorate of Ordnance (C & S), MOD, differs from the area valued by the approved valuer. There are other variations also in the area of land in possession measured and transferred to TCL. The details are given as per **Annexure-1**.
- b) The impact in the value of land on account of short/excess in measurement is yet to be adjusted in the financial statements.
- c) Valuation of the assets received have been valued by an IBIBI registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. Fair Value determined by the Registered Valuer is taken as deemed cost of Assets received and the balance useful life as determined by the valuer is considered for the purpose of calculation of Depreciation on straight line method.
- d) The mutation of the land in favour of the Company is under process.
- e) Depreciation on PPE Purchased by the company has been calculated on straight-line method over estimated useful life as determined in the company's policy document. However, where the useful life of the asset (e.g. furniture/fixtures and office equipment) has not been defined in the policy document, depreciation has been calculated as per schedule II of the Companies Act, 2013.
- f) Some of the Assets were added / reversed as per the details provided in Annexure-2, which has been incorporated in Adjustment Column in above Note No. 2. Assets (belonging to Hospital & School) inadvertently included in the initial valuation have been adjusted. Whereas, certain leftout assets identified during the period have been included. Fair Value of these assets has been ascertained by a Registered Valuer.
- g) In accordance with IND AS 38, the Company has capitalized Research and Development (R&D) expenditures related to the development of R&D projects. Management has exercised judgment in determining the appropriate amortization period for these capitalized costs, taking into consideration the anticipated phasing out of the technology and the expected flow of economic benefits, Different amortization periods have been considered for various projects based on their specific characteristics and projected life cycles.
- h) The company has been sanctioned working capital cash credit limit of ₹ 200 Cr. (yet to be availed) from State Bank of India against collateral security of entire Plant and Machinery and other movable Fixed Assets both present and future of all the manufacturing units of the Company. However, during the period company has not utilized this limit.

(i) Capital Work in Progress Ageing Schedule
As at 31st March 2024
₹ in Lacs

CWIP	Amount in CWIP for a period of				Total
	less than 1 year	1-2 year	2-3 year	More than 3 year	
Projects in progress	161.84	40.00	19.00	127.00	347.84
Projects Temporarily suspended	-	-	-	-	-
Total	161.84	40.00	19.00	127.00	347.84

Capital Work in Progress
As at 31st March 2023
₹ in Lacs

CWIP	Amount in CWIP for a period of				Total
	less than 1 year	1-2 year	2-3 year	More than 3 year	
Projects in progress	40.00	19.00	-	127.00	186.00
Projects Temporarily suspended	-	-	-	-	-
Total	40.00	19.00	-	127.00	186.00

- (A) There is no case of the Capital-work-in progress, where cost has exceeded compared to its original plan.
- (B) There is no case where activity has been suspended.
- (C) The above sum includes CWIP on account of “construction of Bore well “. Since MES department has issued the project closure report on 16-05-2024. Cost incurred in this project is treated as CWIP as on 31-03- 2024.

J) Intangible Assets Under Development Ageing Schedule**As At 31st March 2024****₹ in Lacs**

Particulars	Intangible Assets Under Development for a period of				Total
	less than 1 year	1-2 year	2-3 year	More than 3 year	
Projects in progress	45.36	63.93	-	6.37	115.66
Projects Temporarily suspended	-	-	-	-	-
Total	45.36	63.93	-	6.37	115.66

(k) Title deeds of Immovable Properties not held in name of the Company**₹ in Lacs**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land	Land	399,106.77	Land held in the name of Govt. Of India	No	1/10/2021	The Company is in the process of getting the title transferred in the name of the company.
Buildings	Buildings	24,025.55	Land held in the name of Govt. Of India	No	1/10/2021	The Company is in the process of getting the title transferred in the name of the company.

- (l)** The Intellectual Property Rights (IPRs) including Patents, Trademarks, Copyrights, Design and others for the following assets have been duly registered in the name of the Company. However, the value of these rights has not been recognized in the financial statements due to the non-availability of reliable estimates of their future economic benefits.

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

Product Name	Type of Grant
Extreme Cold Weather Clothing System Insulation/ 201811036666	Patent
Coat Extreme Cold Climate (Two Layer) Insulation/201811036665	Patent
Blanket Piping Stitching Folder/202011004997	Patent
Ordnance Clothing Factory, Shahjahanpur Logo/4074120	Trademark
Specification of Blanket Superior OG/1546/2020-CO/L	Copyright
Specification of Blanket Hospital Red/1544/2020-CO/L	Copyright
Specification of Blanket Barrack Natural Grey/1542/2020-CO/L	Copyright
Brochure of Jersey Mens Woollen 'V' Neck Dark OG/1560/2020-CO/L	Copyright
Brochure of Coat Combat Dis. With Indian Army Logo/1566/2020-CO/L	Copyright
Brochure of Jacket & Trousers Combat PC Dis. With IA Logo/1569/2020-CO/L	Copyright
Brochure of Jacket & Trousers Wind Cheater/1570/2020-CO/L	Copyright
Brochure of Cap Balaclava & Cap Glacier./ 1572/2020-CO/L	Copyright
Brochure of Trousers Extreme Cold Climate. (ECC)/ 1573/2020-CO/L	Copyright
Brochure of Blankets Superior OG, Air Force Blue, Navy Blue & Hospital Red./ 1574/2020-CO/L	Copyright
Brochure of Jersey Woollen Dark Blue Grey/1558/2020-CO/L	Copyright
Brochure of Shirt Men's Angola Drab PW modified Patterns 2012 & Trousers Serge Battle Dress./ 1563/2020-CO/L	Copyright
Brochure of Coat Extreme Cold Climate./ 1537/2020-CO/L	Copyright
Brochure of Extreme Cold Weather Clothing System (ECWCS)/ 1549/2020-CO/L	Copyright
Brochure of Coat Extreme Cold Climate (Two Layer)/ 1548/2020-CO/L	Copyright
Brochure of Laminated Trouser Serge./ 1547/2020-CO/L	Copyright
Cap Balaclava/314422-001	Design
Extreme Cold Weather Clothings/325762-001	Design
HIMVEER (High Loft Fur Fabric)/ 361525-001	Design
HIMVEER (Light Weight Undershirt & Drawers)/ 362403-001	Design
HIMVVER (Extreme Wet/Cold Weather Jacket and Trousers)/ 362404-001	Design
HIMVVER (Soft shell Cold Weather Jacket & Trousers)/ 362407-001	Design
Coat For Extreme Cold Climate/325759-001	Design
Clothing Jacket/325760-001	Design
Combat Coat/325761-001	Design
Overall Suit for High Altitude/341613-001	Design
Disposable Blanket Cover/329697-001	Design
Head Cap for High Altitude/346213-001	Design
Head Cap for Extreme Cold Climate/346216-001	Design
Coat Combat Lighter Pattern/361524-001	Design
Trousers Extreme Cold Climate (Outer)/ 361523-001	Design
HIMVVER (Extreme Cold Weather Parka & Trousers)/ 361526-001	Design
Face Mask for Extreme Cold Weather/361521-001	Design
HIMVVER (Wind Jacket)/ 362405-001	Design
HIMVVER (Mid-Weight shirt & Drawers)/ 362406-001	Design
TANK FABRIC COLLAPSIBLE WITH COVER	Patent
Bag Kit Universal Mk-II	Design
Industrial Safety Shoe	Design
MATTRESS MK II COMPLETE WITH COVER	Patent

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

Product Name	Type of Grant
RAIN CAPE MULTIPURPOSE DISRUPTIVE (PONCHO)	Patent
Modular Light Weight Load Carrying Equipment (MOLLE)	Patent
Field Medical kit	Design
Field Medical Bag	Design
Modular Tactical vest	Design
Sleeping bag +8°C	Design
Anti-skid shoes	Design
Modular Rucksack	Design
Hydration System	Design
Assault pack	Design
Medical tent 2M white anti-microbial	Design
Bullet resistant Vest	Design
Bed roll for travelling	Design
OEFC Logo	Trademark
Rucksack 70 Lt.	Industrial Design
Chagul Universal	Patent
Duffle Trolley Bag	Design Reg.
Net Mosquito RM Polyester FR Khaki with Built in selvedge	Design Reg.
Net Mosquito RM Polyester FR White with Built in selvedge	Design Reg.
Safety Belt	Design Reg.
Factory Logo Trade Mark Registration	Trade Mark
Factory Logo Copy Right Registration	Copy Right
Camouflage Jungle Pattern with Indian Army Logo	Design
Camouflage Desert Pattern without Logo	Design
Camouflage Jungle Pattern without Logo	Design
Camouflage Jungle Pattern with IAF Logo	Design
Individual Shirt Packing box for IAF	Copy right
Brand name for civil trade supplies OCFAY (Karisma)	Trademark
Jacket Combat Disruptive Garment	Design
Trouser Combat Disruptive Garment	Design
Bullet Resistant vest	Design
Bullet Resistant Jacket	Design
Overall Sage Green	Design
Overall Greenish Khaki	Design
Shorts Cotton Light OG	Design
Trouser Manila Blue	Design
Coat Laboratory	Design
Overall Dark Grey	Design
Coat DB White	Design
Fire retardant Action Overall	Design
Shorts Gymnastic Blue	Design
Trouser DB White	Design
Bomb Suppression Blanket	Design
Cross linked poly (Graphene oxide urethane –amide) Coating on Armors to improve the performance of Ballistic materials and its process thereof	Patent

ANNEXURE 1 ATTACHED TO AND FORMING PART OF NOTE NO. 2 OF IND AS FINANCIAL STATEMENTS

S. No.	Description	OCFA	OCFS ###	OEFC #	OEFC	TCL HQ	(Area in acres) TCLTA #	Total
1	Area of land as reported by Directorate of Ordnance Co-ordination & Services	172.230	376.09	237.96	137.39	Not Available	Not Available	923.67
2	Area as per GLR/MLR entry of DEO	168.491	376.28	98.06	137.41	Not Available	Not Available	780.241
3	Area as per survey done by Defence Estate Office (DEO)	197.661	378.48	97.88	137.41	0	0	811.431
4	Area under actual occupation / possession	197.661	378.48	197.79	137.41	25	6	911.341
5	Area transferred to TCL	197.661	320.90682	335.84	136.747	0	0	991.15482
6	Area reported by valuer in their valuation report	172.29	376.28	177.41	137.41	25	6	863.39
7	Difference between area transferred and valuation done (5-6)	25.371	-55.37318	158.43	-0.663	-25	-6	127.76482
8	Difference between survey done by DEO and Area transferred to TCL (3-5)	0	57.57318	-237.96	0.663	0	0	-179.72382
9	Amount (in Rs.) as reported by the Valuer in Valuation Report	4,532,011,092.00	9,897,876,450.00	20,725,897,982.00	3,336,469,249.00	1,163,470,525.00	254,951,802.00	39,910,677,100.00
10	Date of Handling Over/Taking over Document	-	05/07/2022	06/07/2022	06/07/2022	-	-	-
11	Date of Valuation Report	14/01/2022	14/01/2022	14/01/2022	14/01/2022	14/01/2022	14/01/2022	-
12	Surplus land as reported vide Notification O.M. No. 1(5)/2021/OF/DP (Plg-V)/01 Dated : 24th September, 2021	-	52.02	-	-	-	-	52.02

197.79 Acres of Land transferred to OEFC also contains 25 Acres of Land which belongs to TCL Head Quarters.

Land of TCL Training Academy was not transferred in the name of Company though it is in the possession of Company. MoD vide letter no. 12/DP/OFB/C/Land/DPSU/Vol-III dt: 20.01.2023 directed AWEIL to transfer the Land of TCLTA in favour of TCL. Both AWEIL and Defence Estate Office Lucknow are being expedited regularly for early mutation in favour of TCL.

DoO(C&S), Kolkata vide letter No. 001/DOO(C&S)/AM/Transfer of Assets/OCFS dt. 19.07.2023 has transferred another 6.03682 acres land to TCL. The Handing/Taking Over was completed on 15.02.2024.

ANNEXURE NO. 2 ATTACHED TO AND FORMING PART OF NOTE NO. 2 OF IND AS FINANCIAL STATEMENTS

A) Unit wise Assets/Liability Recognition/Reversal During the Year

₹ in Lacs

Unit Name	Assets Recognized during the year	Reversal of excess valued Assets	Liabilities Recognized during the year	Reversal of Liabilities	Net Value
OEFC	(42.37)	171.65	172.00	(74.07)	227.21
OCFS	(77.27)	96.98	42.89	(15.05)	47.55
OEFGH		5.74	0.58	(58.03)	(51.70)
OCFA	(12.06)	8.08	43.16	(8.55)	30.63
Total	(131.70)	282.45	258.63	(155.70)	253.69

B) Broad Details of other identified assets & liabilities are summarised here under:

S. No	Unit Name	Description	Nature	Value
1	OEFC	Liability related to period prior to 1.10.21 as per Court Cases	Pre- Corporation Liability	3.36
2	OEFC	Liability related to period prior to 1.10.21 as per Court Cases	Pre- Corporation Liability	23.93
3	OEFC	Assets Transfer to Gliders India Limited but recorded in TCL Assets Register	Pre- Corporation Liability	6.85
4	OEFC	Building ,P&M and Vehicle Assets excess recorded reduced as per Addendum to the Valuation Report Reversal of Excess Assets Recorded	Pre- Corporation Liability	164.80
5	OEFC	LD Deduction payment made related to prior period 01-10-2021 under Vivad Se Vishwas Scheme	Pre- Corporation Liability	136.26
6	OEFC	Committed Liability (Bills pertain to prior to 1.10.21) Ellite Associates	Pre- Corporation Liability	0.43
7	OEFC	Committed Liability (Bills pertain to prior to 1.10.21) Ellite Associates	Pre- Corporation Liability	0.55
8	OEFC	Committed Liability (Bills pertain to prior to 1.10.21) Elite Associates	Pre- Corporation Liability	1.46
9	OEFC	Employer Arrear Prior to 1.10.2021	Pre- Corporation Liability	1.98
10	OEFC	Contract Labour Bonus Prior to 1.10.2021	Pre- Corporation Liability	1.66
11	OEFC	Committed Liability (Bills pertain to prior to 1.10.21) Ellite Associates	Pre- Corporation Liability	1.63
12	OEFC	Committed Liability (Bills pertain to Prior to 1.10.21)	Pre- Corporation Liability	0.75
13	OEFC	New Assets Identified (Vehicle & P&M) As per the Valuation Report	Pre- Corporation Asset	(40.86)
14	OEFC	Borewell Value short Recorded at the time of corporatization. Revised Value as Per MES Intimation.	Pre- Corporation Asset	(1.51)
15	OEFC	Cantonment Charges excess recorded in the liability Prior to 1.10.2021. Revised as per the latest bill received from Cantonment Board.	Pre- Corporation Asset	(74.07)
		Total Pre-Corporation Assets / Liabilities of OEFC		227.21

S. No	Unit Name	Description	Nature	Value
1	OCFS	Liability related to period prior to 1.10.21 as per Court Cases	Pre- Corporation Liability	16.67
2	OCFS	Payment to the Vendor for the liability prior to 1.10.2021	Pre- Corporation Liability	0.07
3	OCFS	Payment to the Vendor for the liability prior to 1.10.2021	Pre- Corporation Liability	0.14
4	OCFS	Buildings Assets excess recorded reduced as per Addendum to the Valuation Report	Pre- Corporation Liability	96.98
6	OCFS	Advertisement Bill related to Prior to 1.10.2021	Pre- Corporation Liability	0.05
7	OCFS	LD Deduction payment made related to prior period 01-10-2021 under Vivad Se Vishwas Scheme	Pre- Corporation Liability	19.33
8	OCFS	CEA Related to Prior to 1.10.2021	Pre- Corporation Liability	3.11
9	OCFS	Employees Arrear Prior to 1.10.2021	Pre- Corporation Liability	3.52
10	OCFS	Recovery Related to Prior to 1.10.2021 (Vinod Kumar Security Agency)	Pre- Corporation Asset	(15.05)
11	OCFS	New Assets Identified (Building) as per the Valuation Report	Pre- Corporation Asset	(55.42)
13	OCFS	New Assets Identified (P&M) as per the Valuation Report	Pre- Corporation Asset	(21.85)
		Total Pre-Corporation Assets / Liabilities of OCFS		47.55

S. No	Unit Name	Description	Nature	Value
1	OCFA	Municipal Service Tax For the Period to 01.10.2021	Pre- Corporation Liability	25.77
2	OCFA	Vendor Payment for the period prior to 01.10.2021	Pre- Corporation Liability	0.96
3	OCFA	Building, P&M and Vehicle Assets excess recorded reduced as per Addendum to the Valuation Report	Pre- Corporation Liability	8.08
4	OCFA	LD Deduction payment made related to prior period 01-10-2021 under Vivad Se Vishwas Scheme	Pre- Corporation Liability	15.83
5	OCFA	Liability Related to Old GSTIN	Pre- Corporation Liability	0.60
6	OCFA	Inventory Received from GIL that was dispatched prior to 1.10.2021 but recorded against the GIL Accounts in TCL Accounts	Pre- Corporation Asset	(8.55)
7	OCFA	Short Value of Assets was Recognized	Pre- Corporation Asset	(0.96)
8	OCFA	Office Equipments and Computer addition as per Addendum Report	Pre- Corporation Asset	(11.11)
		Total Pre-Corporation Assets / Liabilities of OCFA		30.63

S. No	Unit Name	Description	Nature	Value
1	OEFHZ	P&M, Computer, Office Equipments and Vehicle Assets excess recorded reduced as per Addendum to the Valuation Report	Pre- Corporation Liability	5.74
2	OEFHZ	LD Deduction payment made related to prior period 01-10-2021 under Vivad Se Vishwas Scheme	Pre- Corporation Liability	0.46
3	OEFHZ	Liability Related to Old GSTIN	Pre- Corporation Liability	0.12
4	OEFHZ	Inventory Received from GIL that was dispatched prior to 1.10.2021 but recorded against the GIL Accounts in TCL Accounts	Pre- Corporation Asset	(58.03)
		Total Pre-Corporation Assets / Liabilities of OEFHZ		(51.70)

Note:- 3**Non Current Financial Assets****₹ in Lacs.**

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposit	332.80	320.00
Bank Deposits	97.23	498.80
Accrued Interest	1.78	29.11
TOTAL	431.81	847.91

(a) Bank Deposits have been given as Security for participation by the Company in the Tenders through competitive bidding.

(b) The above sum of Security Deposits also includes deposits with Electricity and Telephone Departments and others.

(c) The above sum of bank deposits includes the FDR worth ₹ 20.71 lacs pledged with commercial court, Kanpur.

Note : - 4**Inventories****₹ in Lacs.**

Particulars	As at 31st March 2024	As at 31st March 2023
Raw materials (Stores in Hand) (Net of Provision)	4,286.26	8,017.32
Work-in-progress	1,689.18	1,285.33
Finished goods	1,159.22	115.54
Stock in Transit	0.20	0.71
Total	7,134.86	9,418.90
(i) Raw Material Stores in Hand		
Opening Stock / Acquisition Cost	8,497.37	8,182.19
Add: Received	9,378.20	34,346.18
Less: Cost of materials consumed	11,997.50	34,031.00
Less: Loss Due to Reduction in realizable value of material	1,177.33	-
Closing Stock (Before Provision)	4,700.75	8,497.37
Less: Provision for Slow Moving and & Non Moving Inventory	414.49	480.05
Closing Stock (Net of Provisions)	4,286.26	8,017.32
(ii) Work-in-progress		
Opening Stock / Acquisition Cost	1,285.33	1,284.22
Increase/ (decrease) during the year	403.85	1.11
Closing Stock	1,689.18	1,285.33
(iii) Finished goods		
Opening Stock / Acquisition Cost	115.54	1,230.41
Increase/ (decrease) during the year	1,043.68	(1,114.87)
Closing Stock	1,159.22	115.54

(a) All inventories i.e. Raw Materials, Stores, WIP and Finished Goods are valued at weighted average cost or NRV whichever is lower.

(b) Raw Material Supplied by the suppliers and accepted by the unit till the date of Balance sheet are recorded in Books of Account

(c) The company has been sanctioned working capital cash credit limit of ₹ 200 Cr (Yet to be availed) from State Bank of India against hypothecation of entire current assets consisting of Raw material, Components, Stock in Process, Finished Goods, Stores and Spares ,Book debts and all other current assets of the company.

(d) Slow/Non moving, raw materials and stores have been determined and a suitable provision has been made as detailed hereunder:

Details of Slow Moving & Non Moving Inventory	As at 31st March 2024	As at 31st March 2023
Slow Moving Items	681.04	2,317.82
Non-Moving Items	1,385.57	993.08
Total	2,066.61	3,310.90
₹ in Lacs		
Provision for Slow Moving and Non Moving Inventory	As at 31st March 2024	As at 31st March 2023
Opening Provision	480.05	334.12
Movement in Provision	(65.56)	145.93
Current Year Provisions		
-Provision for Slow Moving Items (Provision 10%)	68.10	231.78
-Provision for Non-Moving Items (Provision 25%)	346.39	248.27
Total Closing Value of Provision	414.49	480.05

Note:- 5
Trade Receivables

₹ in Lacs

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Undisputed Trade receivables – considered good	1,377.92	17,798.40
(ii) Undisputed Trade Receivables – considered doubtful	-	-
(iii) Disputed Trade Receivables considered good	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-
Total	1,377.92	17,798.40

- (a) During the year company supplied the Goods to the Indian Army, Airforce, Ministry of Home Affairs, and other Defence Public Sector Undertakings as per the contract conditions of partial advance payments. No risk of default is envisaged in the balance outstanding with any of these entities of the Government of India.
- (b) Refer Annexure-3 for Trade Receivable Ageing.

Note:- 6
Cash and Cash Equivalents

₹ in Lacs

Particulars	As at 31st March 2024	As at 31st March 2023
Balances with Banks		
(I) Balances with Banks - In Current Accounts	5,569.96	19,867.11
(ii) Cash in hand	-	-
(iii) Sweep fixed deposit at bank	-	407.20
(iv) Bank Deposits Maturity Less than 3 Months	52,000.40	41,439.84
(v) Accrued Interest on FDR	553.27	349.83
Total	58,123.63	62,063.98

- (a) Bank Deposits having a maturity period of less than 3 Months have been classified as Cash and Cash Equivalents.
- (b) Short Term Deposit under Sweep Account and Interest Accrued thereon has been classified as Cash and Cash Equivalents.

Note:- 7**Bank balance other than cash and cash equivalents****₹ in Lacs**

Particulars	As at 31st March 2024	As at 31st March 2023
Bank Deposits	55,250.70	10,000.00
Accrued Interest on above	159.63	307.44
Total	55,410.33	10,307.44

- (a) Bank Deposits having maturity period between 3 months to 12 months are classified as Bank balance other than cash and cash equivalents.

Note:- 8**Other Current Assets****₹ in Lacs**

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Input Tax Credit Receivable	143.48	995.99
(ii) Balance With Revenue Authorities	-	1.90
(iii) TDS recievable	401.26	331.48
(iv) Rent receivable	24.80	47.88
(v) Advance to Supplier	69.50	54.90
(vi) Employees Advance	-	0.81
(vii) Rent & Electricity charges receivable	10.37	-
(viii) Recovery from parties	-	-
(ix) LD charges recoverable	-	-
(x) Festival Advance	-	8.79
(xi) Prepaid expense	15.59	9.06
(xii) Other current assets	504.24	115.49
-	-	-
Total	1,169.24	1,566.30

Note:- 9 (i)**Equity Share Capital****₹ in Lacs**

Particulars	As at 31st March 2024	As at 31st March 2023
I Authorised Share Capital	-	-
Opening	500,000.00	400,000.00
Increase during the Year	-	100,000.00
Closing	500,000.00	500,000.00
(5,00,00,00,000 Shares of " ₹ 10/- Each Par value)		
-	-	-
II. Issued, subscribed & fully paid-up share capital	-	-
Opening(474,31,48,206 Shares of ₹ 10/-Each Par Value)	474,314.82	5,212.00
Increase during the Year	10,627.95	469,102.82
Closing	484,942.77	474,314.82
484,94,27,668 Shares of " ₹ 10/- Each Par Value)	-	-

III. Details of shareholders holding more than 5 per cent shares in the Company

Name of Shareholders	Number of Shares	(%) Holding
President of India & Government Nominee Shareholders	4,849,427,668.00	100%

IV . Aggregate number of equity shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash

For F.Y. 2022-23	4,50,51,68,206	4,53,14,27,668
For F.Y. 2023-24	2,62,59,462	

V	Shareholding of promoters Promoter name	Percentage (%) holding	Percentage (%) holding
	President of India and Government Nominee Shareholders	100%	100%
	Number of Shares	4,849,427,668	4,743,148,206
	% Change during the Year	2.24%	

Note:- 9 (ii)

Other Equity

₹ in Lacs

Particulars	As at 31st March 2024	As at 31st March 2023
Other Equity	8,280.18	7,435.87
Retained Earnings	(26,774.58)	3,532.87
Total	(18,494.40)	10,968.74

Note:- 10

Deferred tax liabilities/assets (Net)

₹ in Lacs

Particulars	As at 31st March 2024	As at 31st March 2023
The balance comprises temporary differences attributable to:	-	-
Property, plant and equipment	(2,561.01)	(1,808.82)
Unabsorbed Depreciation For F.Y. 2023-24	2,430.44	
Losses Carried Forward for F.Y. 2023-24	38,678.84	
Total Difference	38,548.27	(1,808.82)
Movements in deferred tax Asset / (Liabilities)	-	-
(i) At 1st April-2023	(632.00)	(263.15)
(ii) Charged/ (credited) - to profit and loss	10,334.60	368.85
(iii) At 31st March-2024 deferred tax asset/(liability)	9,702.60	(632.00)

- (a) During the year ended 31st March 2024, the Company recognized deferred tax assets in accordance with IND AS 12 - Income Taxes. This recognition is based on unabsorbed depreciation and business losses incurred in the current year, considering the probability of sufficient future taxable profits to utilize these tax benefits. Accordingly, deferred tax assets amounting to ₹ 9702.60 Lacs have been recognized as at 31st March, 2024.

Note:- 11

Trade Payables

₹ in Lacs

Particulars	As at 31st March 2024	As at 31st March 2023
(i) MSME	639.68	503.67
(ii) Others	490.75	69.24
(iii) Disputed dues - MSME		
(iv) Disputed dues - Others	-	-
Total	1,130.43	572.91

- (a) The management of the unit has not received any memoranda from any of its suppliers claiming any amount payable as interest under the Micro, Small, and Medium Enterprises Development Act, 2006, In the absence of claims from MSME vendors with the necessary support documents, no reliable estimate of the obligation can be made and therefore, no provision has been recognized.
- (b) Refer Annexure-4 for Trade Payables Ageing

Note:- 12**Other Current Liabilities****₹ in Lacs**

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Income Tax TDS Payable	178.72	186.55
(ii) Income Tax TCS Payable	0.16	1.22
(iii) GST TDS Payable	47.86	68.10
(iv) GST Payable	668.04	3,115.21
(v) Other Advances	54,684.53	343.49
(vi) Security deposits	98.25	44.76
(vii) Payable to Cantonment Board	23,867.71	24,316.09
(viii) Employees Deduction Liability	1,203.36	1,351.40
(ix) Salary & Employees Benefit Payable	2,758.08	2,650.67
(x) Misc. Current Liabilities	3,881.53	6,103.25
Total	87,388.24	38,180.74

Note:- 13**Short-term Provisions****₹ in Lacs**

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits	1,794.58	1,667.99
Other provisions	1,560.11	637.56
Provision for Audit Fees	14.00	23.50
Total	3,368.69	2,329.05

13(a) The details of movement in the Provision for the employee benefits is as below**₹ in Lacs**

Particulars	As at 31st March 2024
Opening Balance	1,667.99
Addition of Provision	1,794.58
Amount Used	1,645.41
Provision Written Back	(22.58)
Closing Balance	1,794.58

13(b) The details of movement in the other provisions is as below

Particulars	As at 31st March 2024
Opening Balance	637.56
Addition of Provision	1,560.11
Amount Used	(637.56)
Closing Balance	1,560.11

13 (C) The details of movement in the provisions of Audit Fees is as below-

Particulars	As at 31st March 2024
Opening Balance	23.50
Addition of Provision	14.00
Amount Used	(23.50)
Closing Balance	14.00

Note:- 14

Current Tax	₹ in Lacs	
Particulars	As at 31st March 2024	As at 31st March 2023
Profit before tax	(40,649.34)	3,462.94
Add: Depreciation as per Companies Act, 2013	1,970.49	2,525.09
Less: Depreciation as per Income Tax Act, 1961	2,430.44	2,641.24
Add: Interest on Income Tax	-	61.93
Add: Impairment Loss	-	19.70
Taxable profit	(41,109.29)	3,431.49

Corporate Income Tax on Total Income (A) - 1,199.10

Minimum Alternative Tax u/s 115 JB (B) 605.04

Current Tax Exps. (Higher of [A] or [B]) (C) 1,199.11

The company has opted for the New Tax Regime inserted by section 115BAA of the Income Tax Act, 1961 ("Act") and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance"). It has accordingly applied the tax rate as applicable under the provision of section 115BAA of the Act, in the financial statement for the year ended March 31, 2024.

Reconciliation of Effective Rate of Tax is Given in Annexure-5

Annexure 5 attached to and forming part of Note No.14 IND AS Financial Statements

₹ in Lacs

Particulars	As At 31.03.2024 Rate	Amount	As At 31.03.2023 Rate	Amount
Profit Before Tax		-40,649.34		3,462.94
Tax using the company's Domestic Tax Rate	25.17%	0.00	34.94%	1,209.95
Effect Of				
Additional deduction on Research & Development Expenses	-	-	-	-
Exempt Income	-	-	-	-
Impact of Depreciation as Per Companies Act and Income Tax Act	-	459.96	3.35%	116.15
Tax Incentives	-	-	-	-
Changes in estimates related to previous years	-	-	-	-
Non-deductable Expenses	-	-	-	81.63
Impact on change in Tax Rate	-	-	-	-
Others	-	-	-	0
Net Income [A]	-	-41,109.29	-	3,428.42
Profit Under Section 115JB MAT [B]	-	NA	-	3,462.94
Income Tax Payable and Effective Tax Rate	-	-	45.28%	1,567.96

Considering the losses incurred during the Current Financial Year 2023-24, no effective tax rate calculation is presented as no tax is payable. However, the deferred tax has been recognized in the Profit and Loss Statement.

Note:-15**Revenue from Operations**

₹ in Lacs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
(A) Sale of Products & Services		
(i) Sale of Product	27,832.03	99,500.89
(ii) Sale of Services	7.38	8.93
Total Sale of Products & Services (A)	27,839.41	99,509.82
	-	
(B) Other Operating Income		-
(i) Disposal of Scrap and Surplus / Unserviceable Stores	197.07	257.32
Total Other Operating Income (B)	197.07	257.32
Total Income From Operation (A+B)	28,036.48	99,767.14

The sale of the company's products includes profit element of 7.5% on the sale price of items under deemed contract w.e.f 01.10.2021 authorized by Ministry of Defence vide ID No. 4(8)/2022/ND CD/DDP Dated 21.03.2023. Consequently, current year and previous year sales have been increased by Rs. 1020.56 Lacs and Rs.6443.28 Lacs respectively.

Note:-16**Other Income**

₹ in Lacs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
(a) Interest income	-	
Interest on Bank Deposits	3,964.36	3,206.47
Other Interest	15.36	12.52
Total Interest Income (A)	3,979.72	3,218.99
(b) Profit on Sale of Investments	-	496.10
Total Profit on Sale of Investment (B)	-	496.10
(c) Other non-operating revenues	-	
Liquidity Damage, Penalty & Fines	539.07	824.44
Other Misc. Income	1,438.33	32.55
Quarter Licence Fees Received from Employees	128.54	139.70
Other Rental Income	211.80	150.79
Profit on Sale of PPE	14.83	-
Total Other Non Operating Revenues(C)	2,332.57	1,147.48
Total Other Income (A+B+C)	6,312.29	4,862.57

Note:-17**Cost of Materials Consumed**

₹ in Lacs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Opening Stock / Acquisition Cost	8,497.38	8,182.20
Add: Purchase of Materials	9,377.70	34,317.54
Add: Stock Received from Against Stock in Transit	0.51	28.64
Less: Loss Due to Reduction in Realizable Value of Material	1,177.33	
Less: Closing stock Materials (Before Provisions)	4,700.75	8,497.38
Total Material Consumed	11,997.51	34,031.00

- (a) The figures against the Purchases includes all addition, adjustments and deductions on account of rebate, goods return etc.
(b) Breakup of the Inventory as Required in Paragraph 36(b) of IndAS-2 is enclosed in Annexure-6

Note:-18
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade

₹ in Lacs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Finished goods	(1,043.68)	1,114.86
Work-in-progress	(403.85)	(1.11)
Changes in Inventory of Finished Goods and WIP	(1,447.53)	1,113.75
(i) Finished goods	-	-
Opening stock	115.54	1,230.41
Closing stock	1,159.22	115.54
-	-	-
(ii) Work-in-progress	-	-
Opening stock	1,285.33	1,284.22
Closing stock	1,689.18	1,285.33

Note:-19
Employee Benefits Expense

₹ in Lacs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Salaries, Wages, Bonus & Other Allowance	48,792.03	49,137.87
NPS Contribution	1,632.31	1,859.73
Total	50,424.34	50,997.60

- (a) All the employees of Troop Comforts Limited were on deemed deputation of 2 Years from 1st October-21 to 30th Sep-2023. MOD vide their OM No.1(5)/2023/EGOM/OF/DP/M&P Dated 08th August, 2023 has extended the deemed deputation period of erstwhile OFB Employees upto 30th September, 2024. Emoluments paid to these employees on deputation are depicted as Salaries, Wages, Bonus and other allowances including medical reimbursement.
- (b) As per OM No. 1(5)/2021/OF/DP/PLG-V/02 dated 24.09.2021, Ministry shall continue to bear the retirement benefits of the deputed employees. The company is not liable for the retirement benefits of employees on deputation. Accordingly, no provisions have been made towards terminal benefits including leave encashment.

(c) Salary including Remuneration paid to Key Managerial Personnel is given below:

₹ in Lacs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Personnel Remuneration (Designation)		
Santosh Kumar Sinha (Chairman & Managing Director) *	29.29	38.07
Atul Gupta (Director Operation) **	7.35	36.35
Major Gen. Ravi Rajshekhar Patil (Director HR) ***	4.93	37.07
Dr. Sanjeev Kumar Saxena Director (Finance) & CFO	43.92	36.66
Suresh Kumar Gupta (Company Secretary)	12.25	8.00
Total	97.74	156.15

(*) Santosh Kumar Sinha (Chairman & Managing Director) superannuated on 30th Nov, 2023. Vijay Kumar Tiwari, Chairman & Managing Director (CMD) of Gliders India Limited has been given an additional charge of Troop Comforts Limited as CMD w.e.f. 1st December, 2023 without any remuneration or Salary.

(**) Atul Gupta (Director Operation) superannuated on 30th April, 2023

(***) Major Gen. Ravi Rajshekhar Patil (Director HR) repatriated back to Army Command on 16th April, 2023.

Note:-20**Other Expenses****₹ in Lacs**

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Electricity & water expense	808.73	918.45
Transportation expenses	672.95	766.39
Information technology expense	105.86	96.24
Printing & Stationery	10.86	24.46
Repair & Maintenance	275.02	299.43
Expenditure on Building Maintenance	632.39	638.21
Rate & Taxes	815.50	968.92
Manpower Supply	4,048.91	4,061.92
Misc. expense	770.32	787.79
Communication expense	41.24	44.56
Consultancy & Professional Fees	86.85	73.02
R&D Expense	202.18	550.21
Business Promotion Exp.	59.74	-
Insurance Exp.	0.40	-
Training Exp.	18.24	-
Loss Due to Reduction in realizable value of material	1,177.33	-
Provision for Slow moving and Non Moving Inventory	-	145.93
Liquidated Damages	1,171.02	559.16
Fabrication Expenses	1,025.92	2,374.64
Impairment Loss	-	19.70
Loss on Sale of PPE	-	53.56
Interest on Income Tax	50.62	61.93
CSR Exps.	58.23	45.72
Payment to Auditors	-	-
Statutory Audit Fees	20.00	8.00
Reimbursement of Exps.	0.99	1.09
Total	12,053.30	12,499.33

(a) Ministry of Defence vide Letter No. MOD ID No. 4(8)/2022/ND CD/DDP Dated 21.03.2023 conveyed that Liquidated damages can be suitably imposed on the delayed supplies as per the mutual agreement between buyer and seller under deemed contract..

(b) MGS Branch vide Letter No. A/27315/DGOF/ OS-28 dated 09 October, 2023 clarified that maximum LD of 10% will be imposed on delayed deliveries. However, the delivery shall be calculated from the total contractual period and not on actual/stage delivery as per article 12.1 of template of draft deemed contract. Accordingly the company has made the provision of liquidated damages on delayed supplies as per the best estimate.

Note:- 21**Earning per Equity Share****₹ in Lacs**

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Profit /(Loss) after Tax	(30,307.45)	1,894.98
OCI Income	-	(2,695.77)
No of shares (Weighted Average)	4,836,510,082	4,616,865,247.10
Earning/(Loss) Per share		
1) Basic earning/(loss) per share (in ₹)	(0.63)	0.04
2) Diluted earning/(loss) per share (in ₹)	(0.63)	0.04

Annexure-3 Attached to and forming part of Note No.5 IND AS Financial Statements

Trade Receivable Aging Schedule		31st March-2024					₹ in Lacs
Particulars		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1-2 Year	2-3 Years	more then 3 Years	
(I) Undisputed Trade receivables – considered good		761.53	0.18	616.21	-	-	1,377.92
(ii) Undisputed Trade Receivables – considered doubtful		-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good		-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful		-	-	-	-	-	-
TOTAL		761.53	0.18	616.21	-	-	1,377.92

Trade Receivable Aging Schedule		31st March-2023					₹ in Lacs
Particulars		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1-2 Year	2-3 Years	more then 3 Years	
(I) Undisputed Trade receivables – considered good		-	17,726.51	71.89	-	-	17,798.40
(ii) Undisputed Trade Receivables – considered doubtful		-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good		-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful		-	-	-	-	-	-
TOTAL		-	17,726.51	71.89	-	-	17,798.40

Annexure-4 Attached to and forming part of Note No.11 IND AS Financial Statements**Trade payables Ageing Schedule****31st March-2024** ₹. in Lacs

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 Year	1-2 Year	2-3 Years	more than 3 Years
(i) MSME	581.28	48.10	10.31	
(ii) Others	453.07	35.60	2.08	
(iii) Disputed dues - MSME	-	-	-	
(iv) Disputed dues - Others	-	-	-	
Total	1,034.35	83.69	12.39	1,130.43

Trade payables Ageing Schedule**31st March-2023** ₹. in Lacs

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 Year	1-2 Year	2-3 Years	more than 3 Years
(i) MSME	498.12	5.55	-	
(ii) Others	50.22	19.01	-	
(iii) Disputed dues - MSME	-	-	-	
(iv) Disputed dues - Others	-	-	-	
Total	548.34	24.56	-	572.90

Annexure 6 attached to and forming part of Note No. 17 of IND AS Financial statements

₹ in Lacs

Particular	31st March 2024
Raw Material	4,438.65
Packing Material	117.35
Consumable items	115.15
Maintenance Spares	29.60
Total	4,700.75

₹ in Lacs

Particular	31st March 2023
Raw Material	8,178.89
Packing Material	155.19
Consumable items	138.15
Maintenance Spares	25.14
Total	8,497.37

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

Fair Value Measurement as at March 31, 2024

₹ in Lacs

PARTICULARS	Date of Valuation	Carrying Value	Fair Value Measurement Using			TOTAL
			Quoted prices in active Markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	
Financial Assets						
Cash and cash equivalents	31st March, 2024	58,123.63	58,123.63			58,123.63
Bank balance other than cash & cash equivalents	31st March, 2024	55,410.33		55,410.33		55,410.33
Trade Receivables	31st March, 2024	1,377.92			1,377.92	1,377.92
Security Deposit With Electricity & Telephone Department	31st March, 2024	332.80			332.80	332.80
Bank Deposits Given As Security	31st March, 2024	99.01		99.01		99.01
Total		115,343.69	58,123.63	55,509.34	1,710.72	115,343.69
Financial Liabilities						
Trade Payables	31st March, 2024	1,130.43			1,130.43	1,130.43

Fair Value Measurement as at March 31, 2023

PARTICULARS	Date of Valuation	Carrying Value	Fair Value Measurement Using			TOTAL
			Quoted prices in active Markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	
Financial Assets						
Cash and cash equivalents	31st March, 2023	62,063.98	62,063.98			62,063.98
Bank balance other than cash & cash equivalents	31st March, 2023	10,307.44		10,307.44		10,307.44
Trade Receivables	31st March, 2023	17,798.40			17,798.40	17,798.40
Security Deposit With Electricity & Telephone Department	31st March, 2023	320.00			320.00	320.00
Bank Deposits Given As Security	31st March, 2023	527.91		527.91		527.91
Total		91,017.72	62,063.98	10,835.35	18,118.40	91,017.72
Financial Liabilities						
Trade Payables	31st March, 2023	572.91			572.91	572.91

Other Note : 22

22.1 CORPORATE INFORMATION

Troop Comforts Limited a Public Sector Undertaking incorporated on 16th August 2021 under the Companies Act, 2013 ("The Act") is wholly owned by Government of India.

In pursuance of decision taken by the Government of India to corporatize Ordnance Factories, Troop Comforts Limited was incorporated as 100% Government owned Company on 16th August, 2021. With effect from 1st October, 2021 ("Appointed Date"), the management, control, operations and maintenance of 4 Ordnance Factories out of 41 Ordnance Factories viz. Ordnance Clothing Factory Avadi (OCFA), Ordnance Clothing Factory Shahjahanpur (OCFS), Ordnance Equipment Factory Kanpur (OEFK) and Ordnance Equipment Factory Hazratpur (OEFHZ) and a Training Academy named Ordnance Factories Institute of Learning Kanpur (OFIL Kanpur) have been transferred as going concern to this defense PSU named Troop Comforts Limited.

TCL is involved in manufacturing of Life Cycle Clothing (LCC), Protective Gears, Extreme Cold Climate items (ECC), Special Clothing & Mountaineering Equipment (SCME), Supply Drop Equipment (SDE), water Storage Equipment, Covers, Tentages, Leather items, Arrester Barrier, General Stores, etc. for Defence Services and Civil Sector. TCL is actively engaged in production testing, logistics, research, development and marketing of comprehensive product range in the area of troop comforts items.

MOD vide their letter No. F8 (46)/2022-D (Coord/DDP) dt. 08.06.2022 nominated Troop Comforts Limited as Nodal Agency for setting up of Solar Panels / Solar Power Plant at all the establishments under MOD. The mandate is to do the job on turnkey basis from conceptualizing to commissioning on payment of mutually agreeable agency charges. Presently, Solar Power Project commissioning is going on at HAL

Kanpur, Korwa & Lucknow and TCL has received an amount of ₹ 25.61 Lacs on 02nd July, 2024 for the services rendered as Nodal agency.

TCL during the year also ventured into niche production technology areas like Logistic Drones and Multispectral Camouflage Net (MSCN) as a part of strategic product portfolio diversification.

22.1.1 Registration details are as follows:

Corporate Identity Number (CIN) :
U18109UP2021GOI150744

The registered address of the company:
TROOPCOMFORTS LIMITED,
TCL CORPORATE BHAWAN,
G.T. ROAD, KANPUR-208013, (U.P.)

22.2 Financial Statements of Troop Comforts Limited

The Financial Statement comprises of the accounts of four production units (namely OEF Kanpur, OCF Shahjahanpur, OCF Avadi & OEF Hazratpur) and two non-production units (namely TCL Training Academy and TCL HQrs. [TCLHQ (Local) and TCLHQ (Main)] and have been prepared as per Ind AS requirements from the inception year itself.

22.3 During physical verification conducted by the company in the current financial year (2023-24), certain fixed assets have been identified which were left out /wrongly added in the previous years. These assets, have now been adjusted in the Financial Statements after determining their valuation by the IBBI empanelled valuer M/s Adroit Appraisers and Research Private Limited. The details are as hereunder:

₹ in Lacs

Asset Type	Factory/Unit	Addition	Deletion
Building	OEFK	--	137.36
	OCFS	55.42	96.98
	OCFAv	--	2.03
Office Equipment	OCFAv	8.29	0.02
Computers	OCFAv	2.81	—
Vehicles	OEFK	29.51	7.39
	OCFAv	--	1.25
Plant & Machinery	OEFK	11.35	20.04
	OCFS	21.85	--
	OCFAv	--	4.78
	OEFHZ	--	5.74

Proper accounting treatment in line with Ind AS requirements has been made in the Financial Statements.

22.4 Fund utilization Details of miscellaneous Funds and equity received from Govt. of India

The details of fund utilized out of equity infusion made by Govt. of India, is as hereunder :-

₹ in Lacs

Financial Year	Amount Received	Issue of Equity Shares	Remark
2021-22	31,266.00 Accrued Committed Liability(ACL) [DoO (C&S), New Delhi MoD ID No. 8(1)/2022/ND CD/DDP dt. 14.03.2022]	31,266.00	Initial Committed Liability determined as on 1st October 21 was 28640 Lacs & equity shares were issued along with the Equity shares for NAV as on 11 th October 2022 (Through Share Certificate No. 9). Equity shares have been issued to Govt. of India for balance amount of committed liability vide Share Cert. No. 12 for 2626 Lacs) (Ref.: Board Meeting dt. 28.07.2023).
	4,507.00 (Equity) [DoO (C&S), New Delhi MoD ID No. 8(1)/2022/ND CD/DDP dt. 14.03.2022]	4,507.00	Equity shares have been issued to Govt. of India vide Share Cert. No. 8 (4,507 Lacs + 704 Lacs = 5,211 Lacs)
	704.00 (CAPEX) [DoO (C&S), New Delhi MoD ID No. 8(1)/2022/ND CD/DDP dt. 03.03.2022]	704.00	(Ref.: Board Meeting dt. 31.03.2022).
2022-23	17,886.00 Emergency Authorization Fund (EAF) [DoO (C&S), New Delhi MoD ID No. 8(2)/2022/ND CD/DDP/ Emergency Authorization dt. 28.09.2022]	17,886.00	Equity shares have been issued to Govt. of India vide Share Cert. No. 10 (17,886 Lacs + 700 Lacs = 18,586 Lacs) (Ref: Board Meeting dt. 05.12.2022)
	700.00 (CAPEX) [DoO (C&S), New Delhi MoD ID No. 8(1)/2022/ND CD/DDP dt. 28.09.2022]	700.00	
	626.00 Renewal Reserve Fund (RR Fund) [DoO (C&S), Kolkata ID No. DOO(C&S)/RR/Fin/Budget/2021-22 dt. 15.02.2022 against Bill No. 46/Cont./HQ/BL dt. 24.01.2023]	—	Fund was received under RR from DoO (C&S), Kolkata and is shown under other liability. The information regarding nature of the fund is awaited.
	633.00 Renewal Reserve Fund (RR Fund) [DoO (C&S), Kolkata ID No. S/II/031/RR Fund/Vol-I dt. 03.06.2022]	—	

	7,302.00 (Equity) [DoO (C&S), New Delhi MoD ID No. 8(2)/2022/ND CD/DDP dt. 22.03.2023]	7,302.00	Equity shares have been issued to Govt. of India through Share Cert. No. 11. (Ref: Board Meeting dt. 12.04.2023).
2023-24	700.00 (CAPEX) [DoO (C&S), New Delhi MoD ID No. 8(1)/2022/ND CD/DDP dt. 12.03.2024]	700.00	Equity shares have been issued to Govt. of India through Share Cert. No. 13. (Ref: Board Meeting dt. 28.07.2023).
	8,400.00 (Budgetary Support) [MoD ID No. 1(7)/Bud-1/2023 dt. 01.03.2024]	8,400.00	TCL has received 8,400.00 Lacs Budgetary Support in the form of equity to meet the Pay & Allowances obligations of Central Government Employees on deemed deputation and other statutory obligations for the FY 2023-24. TCL is in process of issuing equity shares.

22.5 Capital Structure of the Company

22.5.1 Authorized Share Capital

Particulars	Par Value (in ₹)	No. of Shares	Total Value (₹ in Lacs)
Share Capital as at 01.04.2023	10	5,00,00,00,000	5,00,000.00
Add : Increase during the year	0.00	0.00	
Closing Share capital as at 31.03.2024	10	5,00,00,00,000	5,00,000.00

22.5.2 Issued, Subscribed and fully Paid-up Share Capital

Particulars	Par Value (in ₹)	No. of Shares	Total Value (₹ in Lacs)
Equity share capital as at 01.04.2023	10	4,74,31,48,206	47,43,314.82
Add: Increase during the year			
(j) Right Issue	10	7,30,20,000	7,302.00
(ii) Right Issue	10	3,32,59,462	3,325.95
Closing Share capital as at 31.03.2024	10	4,84,94,27,668	4,84,942.77

22.6 Events Occurring After the Balance Sheet Date**22.6.1 Increase in Authorised Share Capital**

The authorized share capital of Troop Comforts Limited has been increased from ₹ 5,00,000 Lacs to ₹ 10,00,000 Lacs vide resolution passed at the Extra-Ordinary General Meeting held on May 20, 2024.

22.6.2 CPC while processing ITR of FY 2022-23 had charged an Interest amounting to ₹ 50,61,925/- (u/s 234B & 234C i.e. ₹ 16,07,880/- and ₹ 34,54,045/- respectively). The company had filed a petition dated 09th July 2024 for waiver of the same in line with CBDT notification No. 400/129/2002-IT(B)] Dated 26th Jun 2006 in the subject matter. Consequently, the interest liability has been recorded as a provision under current liabilities. If the Company's contest is successful, the provision will be reversed in the subsequent period.

22.7 Disclosure Regarding Segment Reporting

The Ministry of Corporate Affairs (MCA) has exempted the companies engaged in defense production from the requirements of Segment Reporting vide Notification No. S.O. 802(E) dated 23rd Feb, 2018.

22.8 DIVIDEND

As per memorandum no F. No. PP/14(0005)/2016 dated June 20, 2016, of the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India (GOI) ("DoE") read with the memorandum F. No. 5/2/2016-Policy dated 27th May, 2016 of the Department of Investment & Public Asset Management (DIPAM), Ministry of Finance, GoI, all central public sector enterprises are required to pay a minimum annual dividend of 30% of Profit After Tax (PAT) or 5% of the net worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid memorandum.

DIPAM vide their O.M. F. No. 4/27/2019-DIPAM-II-A(E) dt. 13.06.2023, has considered for exemption of dividend in respect of Troop Comforts Limited (TCL) for FY 2021-22 (stub period), FY 2022-23 and FY 2023-24.

22.9 Contingent Liabilities & Commitments (To the extent not provided for)**(₹ in Lacs)**

Particulars	31st March, 2024	31st March, 2023
(I) CONTINGENT LIABILITIES :		
a) Claims against the company not acknowledged as debt		
• Cantonment charges	*189.37	6,001.73
• Legal Cases Before Courts and Tribunals	13,056.27	11,939.54
• Pre incorporation Expenses (Paid by MoD)	250.02	250.02
b) Guarantees excluding financial guarantees	NIL	NIL
c) Other money for which the company is contingently liable	**2.36	NIL
(II) COMMITMENTS :		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	456.12	229.09
b) Uncalled liability on shares and other Investments partly paid	NIL	NIL
c) Other commitments		
• Stamp Duty in respect of transferred / handed over land	*** Not Ascertainable	*** Not Ascertainable
• Warranty claims on repair/replacement	**** 2.00	2.00

- (*) Cantonment Board, Shahjahanpur demanded an amount of ₹ 189.36 Lacs towards arrears of Service charge for FY 2017-18, 2018-19, 2019-20 & 2022-23. The bill has not been accepted by the management on account of non-availability of bifurcated figures of 2022-23 bills, incorrect area considered for calculation, unjustified levy of circle rate and classifying residential property as commercial and levying charges even on open spaces etc. Reply is awaited from the Cantonment Board, Shahjahanpur.
- (**) Bills of vendors of erstwhile OFB period amounting to ₹ 2.36 Lacs is pending with OCFS.
- (***) Matter of applicability of Stamp Duty has been referred to MoD for clarification. The reply is awaited.
- (****) Expenditure incurred on account of warranty claims of repair/replacement is 'NIL'. However, an amount of ₹ 2.00 Lacs has been earmarked for such contingent liabilities.

22.10 Additional Regulatory information

- (i) No Benami Property is held by the Company as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) State Bank of India has sanctioned a cash credit limit of ₹ 20,000 Lacs against hypothecation of entire current asset consisting of Raw material, Components, stock in process, Finished Goods, Store and spares, Book debts and all other current assets of Company as primary security and entire Plant & Machinery and Other Moveable Fixed Assets as Collateral security. The limit has not been availed till 31.03.2024, hence no quarterly returns/Statements are required to be filed by the Company with the State Bank of India. However, documents executed and the appropriate charges have been registered with the Registrar of Companies.
- (iii) Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

- (iv) Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities.
- (v) Company have not received any fund from any person(s) or entity(ies), including foreign entities.
- (vi) Company have not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income 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).
- (vii) Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (viii) Number of layers prescribed under Clause (87) of Section 2 of the Act, read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation is not applicable on the company.
- (ix) Company has not done any transactions with companies struck off under section 248 of the Act or section 560 of the Companies Act, 1956.
- (x) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.

22.11 INCOME/EXPENDITURE PERTAINING TO PRIOR PERIOD

Income /expenditure pertaining to Prior period in total income or total expenditure shall be considered material, if it exceeds 0.5 % of the Revenue from the Operations of the immediate preceding financial year.

During FY 2023-24 net identifiable Prior Period Expenses/Income were to the extent of ₹ 68.81 Lacs, which were quite less than ½% of ceiling limit, thus no separate disclosure for prior period items have been made in the Financial Statements. The prior period items for the year have been adjusted in the similar head of Income/Expense of current financial year.

22.12 RATIOS

Particulars	Numerator	Denominator	31st March 2024	31st March 2023	Reason for Variation
(i) Current Ratio	Current assets	Current Liabilities	1.34	2.39	Due to reduction in trade receivable and increase in current liability there is variation in this ratio.
(ii) Debt-Equity Ratio	Total Debt	Shareholder's Equity	NA	NA	-
(iii) Debt Service Coverage Ratio	Earnings available for debt service	Debt service	NA	NA	-
(iv) Return on Equity Ratio	PAT-Preference dividend	Avg. Shareholder's Equity	-	0.0040	Due to the loss this ratio is not applicable
(v) Inventory Turnover Ratio	Sales	Average Inventory	3.39	10.07	Due to Reduction in turnover of the company, there is reduction in trade receivable and thus there is variation in this ratio.
(vi) Trade Receivables Turnover Ratio	Revenue from operations	Average Trade receivables	2.92	5.60	Due to Reduction in turnover of the company, there is reduction in trade receivable and thus there is variation in this ratio.
(vii) Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade payables	16.59	59.90	Due to Reduction in turnover of the company and thus reduction in purchase during the year and thus there is variation in this ratio.
(viii) Net Capital Turnover Ratio	Revenue from operations	Average Shareholders Equity	0.06	0.21	Due to substantial reduction in turnover profit has been reduced. Thus it has adversely affected this ratio.
(ix) Net Profit Ratio	Profit before Tax	Net Sales	-	0.04	Due to the loss this ratio is not applicable
(x) Return on Capital Employed	Earnings before interest and taxes	Capital Employed	-	0.01	Due to the loss this ratio is not applicable
(xi) Return on Investment	Profit earned on an investment	Total Investment	NA	NA	-

22.13 Related Party Disclosures

Key Managerial Personnel as on 31st March, 2024:

S.No.	Name (Shri)	Designation
1	Vijay Kumar Tiwari*	Chairman & Managing Director
2	Dr. Sanjeev Kumar Saxena	Director (Finance) & CFO
3	Suresh Kumar Gupta	Company Secretary

Sri S. K Sinha, CMD superannuated on 30th November 2023.

Shri Atul Gupta, Director (Operations) superannuated on 30th April, 2023.

Maj Gen Ravi Rajshekhar Patil, Director (HR) repatriated back to Army Command on 16th April, 2023.

(*) Shri Vijay Kumar Tiwari, Chairman & Managing Director of Gliders India Limited has been given the additional charge of Chairman & Managing Director of TCL on 01.12.2023, without any remuneration or Salary, post superannuation of Shri S. K. Sinha on 30.11.2023.

22.14 CSR Activities

As per the requirement of Section 135 of the Act related with the mandatory Corporate Social Responsibility ('CSR') obligation provides that every company meeting a stipulated threshold (Net worth of INR ₹ 50,000 Lacs or more or a net profit of INR ₹ 500 Lacs or more) would be mandated to spend at least 2% of the Net Profit on CSR activities. The expenditure has to be incurred on CSR activities, as provided in the Schedule VII to Section 135 of the Act, read with The Companies (CSR Policy) Rules, 2014. The CSR activities must be undertaken by the companies itself, or through implementing agencies provided under Rule 4(1) of the CSR Rules. Rule 4(1) of the CSR Rules, inter-alia, provides that charitable trusts or societies registered under Sections 12A and 80G of the Income-tax Act, 1961 are eligible to work as implementing agencies. The details are as under :

₹ (in Lacs)

PARTICULARS	31 st March, 2024	31 st March, 2023
(a) Amount required to be spent by the company on CSR activities as per the Act	58.23	45.72
(b) Amount of expenditure incurred during the year on CSR activities.	58.23	45.72
(c) Unspent amount, if any.	NIL	NIL

Accordingly, TCL has undertaken a CSR Programme under Health and Nutrition Theme in line with Schedule VII of Section 135 of the Act, "Activities relating to Eradicating hunger & Skill Development". TCL Board has approved four (4) thematic programmes during FY 2023-24. An amount of ₹ 58.23 Lacs has been incurred during FY 2023-24. The broad details of these programmes are as here under:

Implementing Agencies	Amount Allocated as CSR Budget (i.e. ₹ 58.23 Lacs)	Focus Theme
Artificial Limbs Manufacturing Corporation of India (ALIMCO) (CSR Reg. CSR00000532)	60% of CSR Budget (₹ 34.94 Lacs)	Health & Nutrition
ISKCON (CSR Reg. CSR00005241)	10% of CSR Budget (₹ 5.82 Lacs)	Health & Nutrition
Kanpur Parivartan Forum (CSR Reg. CSR00006345)	5% of CSR Budget (₹ 2.91 Lacs)	Health & Nutrition
SGBS Unnati Foundation (CSR Reg. CSR00001571)	25% of CSR Budget (₹ 14.56 Lacs)	Skill Development

Utilization Certification is awaited.

22.15 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 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

22.16 Financial Statements were approved for issue by the Board of Directors at their meeting held on 22nd July 2024.

22.17 Note no: 1 to 22 forms an integral part of accounts and have been duly authenticated.

22.18 Previous year figures have been regrouped / rearranged wherever required.

For and on behalf of Board of Directors

For V.P. ADITYA & COMPANY

Chartered Accountants
(FRN: 000542C)

Sd/
(CA SURENDRA KAKKAR)
Partner
M.No. 071912

Sd/
(VIJAY KUMAR TIWARI)
Chairman & Managing Director
DIN: 09282247

Sd/
(DR. SANJEEV KUMAR SAXENA)
Director (Finance) & CFO
DIN: 09315421

Sd/
(SURESH KUMAR GUPTA)
Company Secretary
M No.11059

Place: Kanpur
Dated: 22.07.2024



NOTICE OF 3rd ANNUAL GENRAL MEETING

REGISTERED OFFICE & CORPORATE HQRS : TROOP COMFORTS LIMITED,

TCL CORPORATE BHAWAN, G.T. ROAD, KANPUR-208013 (U.P.)

PHONE : 0512-2451781-83, FAX : 0512-2450099

www.troopcomfortslimited.co.in, E-mail : info@troopcomfortslimited.co.in

CIN - U18109UP2021GOI150744

NOTICE is hereby given that the 3rd Annual General Meeting ("AGM") of the Members of Troop Comforts Limited ("TCL") will be held at shorter notice on Wednesday September 25th 2024 at 12:30 P.M. IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') at Registered Office of the Company at TCL Corporate Bhawan, G.T. Road, Kanpur-208013, Uttar Pradesh, India to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024 together with Board's Report, Auditors' Report and Comments of the Comptroller & Auditor General of India (C&AG) thereon.

2. To consider and, if deemed appropriate, approve the revised remuneration of the Statutory Auditor by passing the following resolution as an Ordinary Resolution:"

"RESOLVED THAT pursuant to section 142 and other applicable provision, if any, of Companies Act, 2013, the consent of the members of the Company, hereby accord, to increase the remuneration of Statutory Auditor M/s V. P. Aditya & Co., Chartered Accountants (FRN: 000542C) of the Company for the F.Y. 2023-24 to Rs.16,00,000/- plus applicable GST and expenditure incurred towards travelling and miscellaneous on actual basis.

RESOLVED FURTHER THAT all terms and conditions shall remain same as passed in previous board resolution.

RESOLVED FURTHER THAT Dr. Sanjeev Kumar Saxena, Director (Finance & Operation) & CFO, of the Company, be and is hereby authorized to file necessary documents/ forms, if any, with the Registrar of Companies and other competent authority and to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 (the Act) and all other applicable provisions of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration of M/s. Chakraborty Kapoor & Co. LLP, (LLPIN- AAC-5442), Registered Office at F-1210, LGF F-Block, C R Park, South Delhi, New Delhi, India, 110019, Cost Auditor of the Company for the Financial Year 2024-25 as appointed by the Board of Directors at a remuneration of 18,500 (Rupees Eighteen Thousand only) plus applicable taxes, (inclusive of out of pocket expenses), to be paid to M/s. Chakraborty Kapoor & Co. LLP, (LLPIN- AAC-5442), be and is hereby confirmed and ratified by the members of the Company."

By Order of the Board For,
Troop Comforts Limited

Sd/
SANJEEV KUMAR SAXENA)

Director Finance
DIN: 09315421

Date: 24.09.2024

Place: Kanpur, U.P.

Notes :

1. Ministry of Corporate Affairs (MCA), vide its General Circular No. 10/2022 dated December 28, 2022 read with General Circular No. 02/2022 dated 05/05/2022 & General Circular No. 20/2020 dated May 5, 2020 and all other circular issued from time to time (collectively referred to as "MCA Circulars") has allowed the Companies to conduct their AGM through Video Conferencing ("VC")/Other Audio-Visual Mean ("OAVM"), without the physical presence of members at common venue. Hence, in accordance with MCA Circulars and provisions of the Companies Act, 2013 (the "Act"), the AGM of Company is being held through VC/OAVM.

2. An explanatory statement pursuant to Section 102(1) of the Act relating special Businesses to be transacted at meeting is annexed hereto. Special Businesses as appearing at item No. 3 of accompanying AGM Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. **Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form, and Attendance Slip of the AGM are not annexed to this Notice.**

4. Pursuant to section 113 of the Act, Body Corporate(s) i.e., other than individuals/HUF/NRI, etc.) are requested to send and scanned copy of resolution passed by its board/governing body authorizing their representative(s) to attend and vote at AGM through VC/OAVM at cs.tcl@troopcomfortslimited.co.in.

5. Members attending the AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under section 103 of Act.

Dispatch of Annual Report through Electronic Mode

6. In compliance with MCA Circulars, Notice of the AGM along with Annual Report for FY 2023-24 is being sent through electronic mode to those members, whose email address are registered with Company.

7. Members holding shares in physical mode and who have registered their e-mail address will receive Annual Report via e-mail.

Procedure for joining the AGM through VC/OAVM

8. Members will be provided with a facility to attend the AGM through VC/OAVM via Cisco Webex video conferencing. Members will be able to join the AGM by accessing the following link and details **URL**

<https://troop.my.webex.com/troop.my/j.php?MTID=m9805c784c34c9b9daacb8e85bf88c185>

Join by Meeting number: 2641 077 4081

Password : 12345 (12345 when dialing from a phone or video system)

Join by video system

Dial 26410774081@webex.com

You can also dial 210.4.202.4 and enter your meeting number.

9. The above details and link for joining the AGM through VC/OAVM will also be available on the Company's website. Participants attending the AGM through Laptop/Desktop will be directed to the Webex browser on clicking the aforesaid link. Participants connecting from Mobile device or Tablet may kindly download the 'Cisco Webex Meetings' app on their devices in advance before accessing the aforesaid link. Participants will enter their login credentials (i.e. name and email id) while joining the meeting.

10. It is recommended to join the Meeting through Laptops and use stable Wi-Fi or LAN connection for better experience.

11. Facility to attend the meeting shall be opened 30 (thirty) minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM. For convenience of the Members and ease of conduct of AGM, Members may kindly join at least 15 (fifteen) minutes before the time scheduled for the AGM.

12. Members who need assistance with using the technology before or during the AGM, may kindly contact Mr. Amit Verma, JWM, TCL at the designated email id : info@troopcomfortslimited.co.in or call on 9795469266.

13. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Procedure to raise questions/seek clarifications/cast vote during the Meeting

14. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their questions/queries in advance mentioning their name, folio number, email id, mobile number at cs.tcl@troopcomfortslimited.co.in. Questions/queries, if any may kindly be submitted on or before the AGM for providing adequate reply during the AGM.

15. The Chairman of the meeting may invite questions or views during the meeting. Members, who would like to express their views or ask questions, may do so by submitting the same through "chat icon" feature or using "raise hand" feature.

16. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

17. The Members, whose names appear in the Register of Members as on 17.09.2024 (Cut-off date) are entitled to cast their vote on the Business(es)/Resolution(s) set forth in this Notice. In terms of the MCA Circulars and provisions of the Act, where less than 50 members are present at a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with Section 109 of the Act.

18. When a poll is demanded on any item, the Members shall cast their votes to the Resolution(s) only by sending emails at cs.tcl@troopcomfortslimited.co.in through their email address(es) registered with the Company. In the event of poll, the voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date. In case the counting of votes requires time, the Meeting may be adjourned and called later to declare the result.

Dividend related information

19. Your Company Incorporated on 16th August, 2021 and commence its business from 1st October, 2021. As per DPE OM No. PP/14(0005)/2016 dated 20/06/2016 & DPE OM No. 5/2/2016-Policy dated 27th May, 2016, every CPSE would pay a minimum annual dividend of 30% of profit after tax or 5% of net-worth, whichever is higher subject to maximum dividend permitted under the extant legal provisions.

However, Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDC), meetings for new DPSUs were held on June 05, 2023 CMCDC grants exemption to TCL with regard to dividend payment for FY 2022-23, FY 2023-24

and FY 2024-25 vide F. No. 4/27/2019-DIPAM-II-A(E), issued by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

Procedure for inspection of documents

20. The Register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members during normal business hours on weekdays (Monday to Friday) excluding intervening public holidays between 11.00 a.m. to 4.00 p.m. upto the date of the AGM. Members seeking to inspect such documents can send an email at cs.tcl@troopcomfortslimited.co.in.

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

ITEM NO. 3

As per Section 148 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, the appointment of Cost Auditor shall be made by the Board of Directors on such remuneration as may be ratified by the Shareholders. Under the Companies (Audit and Auditors) Rules, 2014, the Board while appointing the Cost Auditor is required to approve Notice the remuneration payable to them and the remuneration so approved by the Board shall be ratified by the Shareholders.

Accordingly, the Board has appointed M/s. Chakraborty Kapoor & Co. LLP, (LLPIN- AAC-5442), as a Cost Auditor of the Company for the FY 2024-25 at a remuneration of 18,500/- (Rupees Eighteen Thousand Five Hundred only) (Inclusive of out of pocket expenses) plus applicable taxes.

The approval of the shareholders is sought by passing an ordinary resolution as set out at item no.3 in the notice, pursuant to the provisions of the Act.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the above resolution financially or otherwise.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.3 as an Ordinary Resolution.

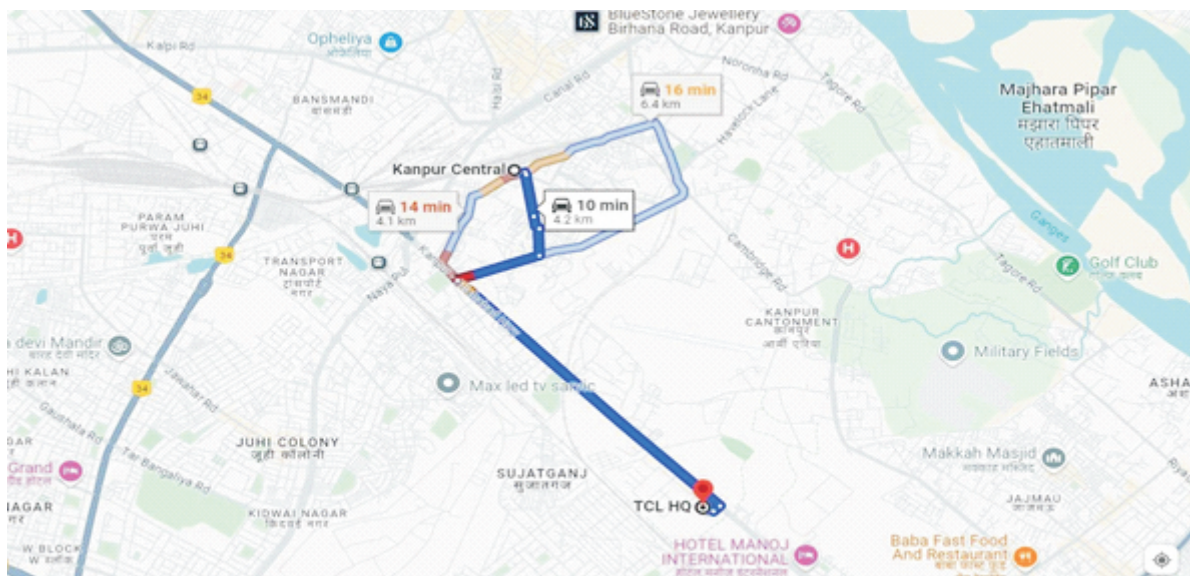
By Order of the Board For Troop Comforts Limited

Date: 24.09.2024

Place: Kanpur, U.P.

Sd/
(SANJEEV KUMAR SAXENA)
Director Finance

Route Map



NOTE



*To contribute to an **ATMANIRBHAR BHARAT**,
that is **SELF RELIANT** in **TECHNICAL
TEXTILES AND APPARELS** for our troops
and billion lives*

TROOP COMFORTS LIMITED

(A Govt. of India Enterprise, Ministry of Defence)

CIN: U18109UP2021GOI150744

Regd. Office: TCL Corporate Bhawan, G.T. Road, Kanpur-208013, U.P.

Tel.: 0512-2451781-83, **FAX:** 0512-2450099

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