



VASHISHTHA LUXURY FASHION LIMITED

High Fashion Hand Embroideries & Accessories

DIRECTOR REPORT

To,
The Members of
VASHISHTHA LUXURY FASHION LIMITED
307, 308 Sun Industrial Estate,
Sun Mill Compound,
Desile Road, Lower Parel West,
Mumbai – 400 013

Your Directors have pleasure in presenting their **3rd Annual Report** on the business and operations of the Company and the accounts for the Financial Year ended **March 31, 2025**.

1. Performance of the Company:

The performance of your Company on a standalone and consolidated basis during the year is as under:
(Rs. In Lacs)

Particulars	2024-2025		2023-2024
	Standalone	Consolidated	Standalone
Sales	1063.10	1063.60	713.62
Other Income	24.89	20.71	31.36
Total Income	1087.99	1084.31	744.98
Expenditure	904.06	880.45	696.37
Gross Profit / (Loss) before Depreciation, Interest and Tax	231.93	255.52	104.06
Finance cost	22.62	24.07	29.17
Depreciation	25.37	27.59	26.28
Profit/ (Loss) Before Tax	183.94	203.86	48.61
Current Tax	43.22	53.40	18.63
Deferred Tax (Liability) / Asset	2.44	1.04	4.11
Profit for the Year	138.28	149.24	25.87

2. Brief description of the Company's working during the year:

Your Company is in the business of fabricators, exporters and importers of all kinds of clothing, readymade garments, jewellery, footwear, handbags, beauty products and all accessories related to fashion & lifestyle products, high fashion handmade & machine- made Embroideries. During the year under consideration your Company has achieved a consolidated turnover of Rs. 1063.60 Lakhs. Profit after tax on consolidated basis during the year stood at 138.28 Lakhs.

3. Change in the nature of business, if any:

There was no change in the nature of business of the Company done during the financial year.

4. Dividend:

Your directors are of the opinion that the company should retain the profits and plough it back in the business and hence Directors have not proposed any Dividend.

5. Reserves:

Directors do not propose transfer to General Reserve.

6. Change of Name:

The Company has not changed its name during the financial year.

7. Share Capital:

As on date of signing this report Authorized capital is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each. The Paid up share capital of the Company is Rs. 1,55,75,580/- divided into 15,57,558 equity shares of Rs. 10 each fully paid up.

During the year, pursuant to the approval of the shareholders at the Extra-Ordinary General Meeting held on 30th May, 2024 your Company allotted 55,146 Equity Shares of ₹10/- each at a premium of ₹179.84 per share on a preferential basis, in consideration of acquisition of shares of Vashishtha Embroideries Private Limited. The issue was made in compliance with Section 62(1) (c) and other applicable provisions of the Companies Act, 2013.

During the year under review, the Company issued 3,89,388 equity shares of ₹10/- each, aggregating to ₹38,93,880/- to the existing equity shareholders of the Company on a rights basis.

The rights issue was made to all equity shareholders whose names appeared in the Register of Members as on 09th August, 2024, in proportion to their shareholding in the existing paid-up equity share capital of the Company, subject to rounding off, in compliance with the provisions of Section 62 of the Companies Act, 2013 and the applicable rules made thereunder.

There were no shares issued with differential voting rights or issue of sweat equity or ESOP.

8. Directors and Key Managerial Personnel:

During the Financial year under review, there were no changes in the Composition of Board during the financial year under review.

There was no appointment of Additional Director, Alternate Director and Director to fill casual vacancy during the financial year under review and there were no other changes in Directors by way of death or disqualification.

In accordance with the applicable provisions of the Companies Act, 2013 and rules made there under, Mr. Mustak Basirbhai Odiya (DIN: 08202757) retires by rotation at the forth coming 3rd Annual General Meeting and being eligible, offers herself for re-appointment.

Following Directors constitute Board including Changes if any during the year:

Sr. No	DIN	Name	Designation	Appointment/ Change in designation	Resignation
1.	08202757	Mustak Basirbhai Odiya	Director	06/09/2022	NA
2.	08202758	Ravindra Dilip Dhareshivkar	Director	06/09/2022	NA
3.	09475973	Archana Mustak Odiya	Director	22/11/2022	NA
4.	10489038	Jaydeep Pravinchandra Sodha	Independent Director	03/02/2024	NA
5.	08640621	Pratik Arvind Jain	Independent Director	03/02/2024	NA
6.	08202757	Mustak Basirbhai Odiya	Chief Financial Officer	01/12/2023	15/05/2025
7.	08202758	Ravindra Dilip Dhareshivkar	Managing Director	01/07/2024	NA
8.	09475973	Archana Mustak Odiya	Non-Executive Director	28/09/2024	NA

As on the date of the report, following are the Key Management Personnel of the Company including the changes:

Sr. No.	Name	Designation	Date of Appointment/ Change	Reason for change
1.	Krupali Thakkar	Company Secretary & Compliance Officer	01/12/2023	NA

2.	Mustak Basirbhai Odiya	Chief Financial Officer	15/05/2025	Resignation
3.	Anasuya Banerjee	Chief Financial Officer	15/05/2025	Appointment

9. Meetings:

During the year 16 (Sixteen) Board Meetings were convened on 01/04/2024, 06/05/2024, 05/06/2024, 28/06/2024, 01/07/2024, 09/08/2024, 16/08/2024, 28/08/2024, 14/09/2024, 20/09/2024, 27/09/2024, 28/09/2024, 30/09/2024, 16/12/2024, 10/02/2025 and 27/02/2025. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. 1 (One) Annual General Meeting of the Members was convened during the period under review on 28th September, 2024 and 3 (three) Extra Ordinary General Meeting were convened on 25th April 2024, 30th May, 2024 and 30th July, 2024. The details of such meetings and attendance of Directors are given below:

Sr. No.	Date of Board meeting	Total No. of Directors as on the date of meeting	No. of Directors Present
1	01/04/2024	5	3
2	06/05/2024	5	3
3	05/06/2024	5	3
4	28/06/2024	5	3
5	01/07/2024	5	3
6	09/08/2024	5	3
7	16/08/2024	5	4
8	28/08/2024	5	5
9	14/09/2024	5	3
10	20/09/2024	5	3
11	27/09/2024	5	3
12	28/09/2024	5	5
13	30/09/2024	5	3
14	16/12/2024	5	3
15	10/02/2025	5	3
16	27/02/2025	5	3

Type of meeting	Date of Annual General Meeting	Total No. of Directors on the Board	No. of Directors Present
Extra Ordinary General Meeting	25/04/2024	5	5
Extra Ordinary General Meeting	30/05/2024	5	3
Extra Ordinary General Meeting	30/07/2024	5	3
Annual General Meeting	28/09/2024	5	5

10. Auditors:

The members of the Company had, at the 01st Annual General Meeting (AGM) held on 31st December, 2023, approved the appointment of M/s Kumbhat & Co., Chartered Accountants, (Firm Registration no. 001609S) as the statutory Auditors of the Company, to hold the office from the conclusion of that AGM until the conclusion of the 06th AGM i.e AGM to be held for year ending 31st March, 2028 subject to ratification by the shareholders at every Annual General Meeting. Accordingly, the appointment of M/s Kumbhat & Co., Chartered Accountants, (Firm Registration no.

001609S), is being eligible, offer themselves for ratification of their appointment for a period of 1 year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM i.e. till the Conclusion of AGM to be held for the year 31st March 2026.

11. Secretarial Auditor:

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. R.B. Tanna & Associates, Practicing Company Secretaries, Mumbai bearing C.P No. – 14434 and Peer Review Certificate no. 5710/2024 to undertake the Secretarial Audit of the Company from the conclusion of this ensuing AGM until the conclusion of the 06th AGM i.e AGM to be held for year ending 31st March, 2030.

12. Auditors' Report:

The Auditors' Report does not contain any qualification remarks. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

13. Disclosure about Cost Audit:

As per the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Cost Audit Orders, Cost Audit is not applicable to the Company's business.

14. Details of Subsidiary, Joint Venture or Associate Companies:

During the year under review, the Company has acquired Vashishtha Embroideries Private Limited and it has become a subsidiary of the Company with effect from 05th June, 2024.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, the salient features of the financial statement of the Subsidiary & Joint Venture and Associate Companies in Form AOC-1 has been annexed as to the Directors' Report.

15. Internal Audit & Controls:

As per the provisions of section 138 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rule, 2014, Internal Audit is not applicable to the Company's business.

16. Vigil Mechanism:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns is not applicable to your Company.

17. Risk management policy:

In the opinion of the Board there are no elements as on today which may threaten the existence of the company.

18. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is not required to be attached.

19. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

Your Company has initiated the process of listing its equity shares on the SME Platform of BSE Limited. In this regard, the Company has filed the Draft Prospectus with the concerned authorities and is in the process of obtaining necessary approvals. The Company has also received in-principle approval from BSE on the said DRHP.

Other than that, no material changes have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

20. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

21. Public Deposits:

The Company has not accepted any deposits from the public during the period, under review.

22. Particulars of loans, guarantees or investments under section 186:

The Company has not given loans, or guarantees or investments falling under the purview of section 186 of the Companies Act, 2013 and the rules framed there under during the current financial year.

23. Particulars of contracts or arrangements with related parties under section 188:

All the Contract or arrangement entered by the company during the financial year with related parties were in ordinary course of business and on arm's length basis. However, The Company has provided its related party transaction details in Form AOC-2 which has been annexed as part to the Directors' Report.

24. Obligation of Company Under the Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company does have 10 female employees. Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has appointed a representative for implementation of said policy.

(a) Reporting on Sexual Harassment Complaints:

- Number of sexual harassment complaints received during the year – NIL
- Number of sexual harassment complaints disposed off during the year – NIL
- Number of cases pending for a period exceeding ninety days – NIL

(b) Statement on Maternity Benefit Compliance: The Company is in the process of strengthening its internal policies and HR systems to align with the requirements of the Maternity Benefit Act, 1961, including timely communication of entitlements and proper documentation of benefits extended to women employees.

25. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy: The particulars regarding conservation of energy are not applicable to the Company.

(b) Technology absorption: The Company continuously undertakes Research and Development activities for introduction of new products and development in the manufacturing processes for improvement in productivity and efficiency. During the year there has been no purchase or adoption of technology

(i)	the efforts made towards technology absorption	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NA
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA

(c) Research and Development

The company has incurred the following expenses on research and development during the financial year:

Capital expenditure on research and development	Rs. NIL
Recurring expenditure on research and development	Rs. NIL
Expenditure on research and development	Rs. NIL

(d) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs. NIL and the total foreign exchange earned was Rs. NIL.

26. Corporate Social Responsibility (CSR):

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

27. Human Resources:

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

No employee draws a salary to the extent as required to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. Safety, Health and Environment Safety:

The Company is committed to maintaining the highest standards of safety, health, and environmental sustainability at all its operations. Adequate safety measures are in place, and regular training and awareness programs are conducted for employees.

29. Industry Relations:

The industrial relations remained cordial and harmonious throughout the year. The Board places on record its appreciation for the dedication, commitment, and cooperation of all employees.

The management continues to maintain an open communication culture and participative environment to ensure employee engagement and productivity.

30. Liquidity:

The Company maintains adequate liquidity and a strong financial position to meet its operational and strategic objectives.

As on March 31, 2025, the Company had consolidated cash and cash equivalents of Rs. 9,28,483.96, ensuring sufficient liquidity for ongoing business requirements.

31. Company's Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company.

The Nomination and Remuneration Committee has laid down the criteria for Directors Appointment and Remuneration including criteria for determining qualification, positive attributes and Independence of Director. The following attribute/criteria for selection have been laid by the board on the recommendation of committee.

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- The candidate shall possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
- A Whole-Time KMP of the Company shall not hold office in more than one Company except in its subsidiary

company at the same time. However, a Whole-Time KMP can be appointed as a Director in any company subject to the same being intimated to the Board or being in accordance with the policy of the Company. In case of an Independent Director, the proposed appointee should possess the desired attributes and should not suffer from any disqualifications as prescribed under Section 149(6) read with the relevant rules and Regulation 16 of the Listing Regulations.

32. Declaration by Independent Directors

All Independent Directors have submitted declarations under Section 149(6) confirming that they meet the criteria of independence and have complied with the Code for Independent Directors prescribed under Schedule IV of the Act and Regulation 16(1) (b) of SEBI (LODR) Regulations, 2015.

33. Details Of Committees

The Board has formulated following committees for compliance with corporate governance requirements:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

Audit Committee:

The Audit Committee was constituted pursuant to a resolution passed in the meeting of the Board of Directors held on September 28, 2024, pursuant to Section 177 of the Companies Act, 2013.

The Audit Committee comprises of three directors out of which majority directors are Independent Directors namely Mr. Jaydeep Sodha, Chairman, Mr. Pratik Jain, Member and Mr. Mustak Odiya, Member. The Audit Committee met 2 times during the year.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on September 28, 2024. The Nomination and Remuneration Committee was reconstituted at a meeting of the Board of Directors held on February 10, 2025.

The Nomination and Remuneration Committee comprises of three directors out of which majority directors are Independent Directors namely, Mr. Pratik Jain, Chairman, Mr. Jaydeep Sodha, Member and Mr. Mustak Odiya, Member. The Nomination and Remuneration Committee met once during the year.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted at a meeting of the Board of Directors held on September 28, 2024.

The Stakeholders' Relationship Committee comprises of three directors out of which majority directors are Independent Directors namely, Mrs. Archana Odiya, Chairperson, Mr. Jaydeep Sodha, Member and Mr. Pratik Jain, Member. The Stakeholders' Relationship Committee met once during the year.

34. Directors' Responsibility Statement:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. Board evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, that of the Committees and individual Directors. The evaluation framework included criteria such as composition, experience, effectiveness of participation, decision-making, etc.

36. Transfer of Amounts to Investor Education and Protection Fund :

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

37. Secretarial Standards:

Your Company complies with all mandatory secretarial standards issued by Institute of Company Secretaries of India (ICSI).

38. Fraud Reporting:

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

39. Web Address:

The Company is having website i.e., <https://vashishthaluxuryfashion.com//>. The link of uploading of form MGT-7 on the website can be provided.

40. Cost Records:

The provisions of Cost Record are not applicable to the Company; thus, Company is not required to maintain proper records and account of the same as required under the Companies Act, 2013.

41. IBC Notice:

Further, your Directors confirm that no application has been filed against the Company before any bench of the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year under review or as on the date of this report.

42. Registrar And Transfer Agent:

The Company has appointed Bigshare Services Private Limited as its Registrar and Transfer Agent.

43. Depository System

The Company's equity shares are held in dematerialised form with both the Depositories National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN of the Company is INE0WRP01016. Dematerialisation has facilitated easier and safer trading for shareholders.

44. One Time Settlement Loan:

There was no one time settlement of loan obtained from the Banks or Financial Institutions.

45. Audit Trail Applicability (Audit and Auditors) Rules 2014 - Rule 11 of the Companies Act 2013:

The Company has not used accounting software for maintaining its books of account for the financial year which has a feature of recording audit trail (edit log) facility and the same has not operated throughout the year for all relevant transactions recorded in the software/s.

46. Appointment Of Designated Person (Management and Administration) Rules 2014 - Rule 9 Of the Companies Act 2013:

In accordance with Rule 9 of the Appointment of Designated Person (Management and Administration) Rules 2014, it is essential for the Company to designate a responsible individual for ensuring compliance with statutory obligations. The Company has appointed Mr. Mustak Odiya, Director as the designated person in a Board meeting.

47. Acknowledgements:

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

**For and on behalf of the Board of Directors
Vashishtha Luxury Fashion Limited**




Mustak Basirbhai Odiya
Director
DIN: 08202757


Ravindra Dilip Dhareshivkar
Managing Director
DIN: 08202758

Date: 13th August, 2025
Place: Mumbai