



GTN INDUSTRIES LIMITED

(A Government recognised 'TWO STAR EXPORT HOUSE')
CIN : L18101TG1962PLC054323, GSTNo : 36AAACG8805N1ZB
Corp : Off : Plot No.29, Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082, Telangana, INDIA. Phone : +91-40-43407777
Email : email@gtindustries.com , Website : www.gtindustries.com
AEO Certificate No. INAAACG8805N1F181

"An ISO 9001, ISO 14001,
ISO 45001 and ISO 50001
Certified Organization"

REF : BSE/Book closure- 2025-26
Date : 26-08-2025

To

The Dy. General Manager
Department of Corporate Services
BSE LIMITED
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

Dear Sir,

Sub: In compliance of Regulation 34(1) of SEBI (LODR) Regulation, 2015-Annual Report-2024-25
Ref: Company Scrip Code: 500170.

In compliance of Regulation 34(1) of SEBI (LODR) Regulation, 2015 a copy of 63rd Annual Report containing Notice to Shareholders, Directors Report and Annual Financials along with e-voting form & proxy for the forth coming Annual General Meeting of the Company which will be held on 24th September, 2025 at 10.30 A.M. at the Registered Office of the Company.

This is for your information and record.

Thanking you,
Yours faithfully,

For GTN INDUSTRIES LIMITED

Pammidi Marri

Prabhakara Rao

(P.Prabhakara Rao)

Company Secretary

Encl: a/a

Digitally signed by Pammidi
Marri Prabhakara Rao
Date: 2025.08.26 14:30:14
+05'30'





GTN INDUSTRIES LIMITED

**63rd ANNUAL REPORT
2024-25**



GTN INDUSTRIES LIMITED

Board of Directors

| | | |
|-----------------------|-----------------|------------------------------|
| Mr. M.K.Patodia | (DIN:00004752) | Chairman & Managing Director |
| Mr. Ranganath M V | (DIN:00200486) | Independent Director |
| Mr. Ashok Kumar TT | (DIN: 08927060) | Independent Director |
| Mrs. Sabari S. Kambli | (DIN: 00039148) | Independent Woman Director |
| Mr. C.George Joseph | (DIN: 00309739) | Non-Executive Director |

Chief Financial Officer

Mr.V.Rghu Ram
(DIN: 03524068)

Company Secretary & Compliance Officer

Mr. Prabhakara Rao
(M.No. 08974)

Bankers

IDBI Bank Ltd
YES Bank Ltd

Auditors

M/s. Lodha & Co LLP
Chartered Accountants, Mumbai

Registered Office

Chitkul Village, Patancheru Mandal
Sangareddy District – 502 307
Telangana

Corporate Office

Plot No.29, Nagarjuna Hills
Punjagutta, Hyderabad – 500 082
Telangana

CIN NO: L18101TG1962PLC054323
Website : www.gtnindustries.com
Email: shareddept@gtnindustries.com

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NOTICE

Notice is hereby given that the **63rd** Annual General Meeting of M/s.**GTN INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Chitkul Village, Patancheru Mandal, Sanga Reddy District- 502307, Telangana, at 10.30 A.M. on Wednesday the 24th day of Sept, 2025 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss account for the year ended on that date together with the Reports of Directors and the Auditors thereon.

SPECIAL BUSINESS:

2. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, remuneration and out-of-pocket expenses as may be authorized by the Board payable to M/s. NSV Krishna Rao & Co., Cost Accountants, Hyderabad who were appointed by the Board of Directors of the Company to conduct the cost audit for the financial year ending March 31, 2026.”

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 the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of the Audit Committee, the consent of the members of the Company be and is hereby accorded to appoint M/s. V. Sidvilas &

Associates Practicing Company Secretaries having Membership No. 41836 and COP No:15578 as the Secretarial Auditor of the Company for the financial year 2025-26 to 2029-30 to conduct the secretarial audit as required under the applicable laws.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee thereof) be and is hereby authorized to decide and fix the remuneration and other terms and conditions for the appointment of the Secretarial Auditor and to do all such acts, deeds, matters and things as may be deemed necessary or desirable to give effect to this resolution.”

By order of the Board
For GTN Industries Limited

(P. Prabhakara Rao)
Company Secretary &
Compliance Officer

Place: Hyderabad

Date : 28-05-2025

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy form duly filled in should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Institutional/ Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.,) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to ansu@dvmgopalandassociates.in with a copy marked to evoting@nsdl.com
3. An Explanatory statement pursuant to section 102(2) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed here to and forms part of the Notice

NOTICE (Contd...)

4. Register of Members and Share Transfer Books will remain closed from **19th Sept, 2025 to 24th Sept, 2025** (both days inclusive)
5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs, incase the shares are held by them in electronic form and with Integrated Registry management Services Pvt. Ltd., incase the shares are held by them in physical form.
6. Consequent upon introduction of Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies Act (Share capital and Debenture) Rules 2014 Shareholders are entitled to make nomination in respect of shares held by them in physical form. Individual shareholder(s) can avail the facility of nomination. Shareholders desirous of making nominations are requested to send their request in Form SH-13 (which will be made available on request) to the Registrar and Share Transfer Agent

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.2

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records And Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified/approved by the shareholders of the Company at the General Meeting.

The Board, on the recommendation of the Audit Committee and subject to the rules to be notified by the Ministry of Corporate Affairs in this regard, has approved the appointment of M/s N S V KRISHNA RAO & CO, Cost Accountants, as Cost Auditor to conduct the audit of the cost records of the Company at a remuneration of Rs. 50,000/- p.a. plus applicable taxes and out of pocket expenses at actuals for the financial year ending March 31, 2026.

Accordingly, approval of the members is being sought

for the proposal contained in the resolution set out at item No. 2 of the notice.

None of the Directors, Key Managerial Persons and their relatives are concerned or interested in the resolution either financially or otherwise.

The Board recommends and propose to pass the resolution set out at item No.2 of the notice as an Ordinary Resolution.

Item No.3

The Board of Directors, on the recommendation of the Audit Committee, has proposed the appointment of M/s. V. Sidvilas & Associates, Practicing Company Secretaries having Membership No. 41836 and COP No:15578 as the Secretarial Auditor of the Company for a term of five financial years commencing from 2025–26 up to 2029–30, in accordance with the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Secretarial Auditor will conduct the Secretarial Audit of the Company and submit a report in Form MR-3 as prescribed under the Companies Act, 2013 for each of the financial year(s) during the tenure. The Secretarial Audit Report will form part of the Annual Report of the Company and provide assurance on compliance with applicable corporate and securities laws.

The Board recommends the resolution for the approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

By order of the Board
For GTN Industries Limited

(P. Prabhakara Rao)
Company Secretary &
Compliance Officer

Place: Hyderabad
Date : 28-05-2025

NOTICE (Contd...)**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on **21st Sept, 2025 at 9:00 A.M. and ends on 23rd Sept, 2025 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the **cut-off date, being 17th Sept, 2025.**

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

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





Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

NOTICE (Contd...)

| Type of shareholders | Login Method |
|--|---|
| | <p>NSDL Mobile App is available</p> <p>  App Store  Google </p> <p>   </p> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, where in you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

NOTICE (Contd...)

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Help desk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 022-48867000 and 022-24997000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at athelpdesk.evoting@cdslindia.com or contact at 1800-225533 |

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

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

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

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

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID for example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

NOTICE (Contd...)

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

- a). If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a. pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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

- a) Click on "**Forgot User Details / Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat

account number / folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send

NOTICE (Contd...)

scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to ansu@devmgopalandassociates.in with a copy marked to evoting@nsdl.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 4886 7000 or send a request to atvoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to www.gtnindustries.co

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to www.gtnindustries.com If you are an Individual shareholders holding securities in demat mode, you

are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.**

2. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

By order of the Board
For GTN Industries Limited

(P. Prabhakara Rao)
**Company Secretary &
Compliance Officer**

Place: Hyderabad
Date : 28-05-2025

BOARDS' REPORT

To the Members,

Your Directors are presenting the 63rd Annual Report together with the Audited Statements of Account for the year ended 31st March, 2025

FINANCIAL RESULTS (Rs. in Lacs)

| Particulars | Year ended 31 st March, 2025 | Year ended 31 st March, 2024 |
|---|---|---|
| Net Sales/Income from Operations* | 17250 | 18538 |
| Other Income | 77 | 108 |
| Variation in Stock | -341 | -818 |
| Total | 16986 | 17828 |
| EXPENDITURE | | |
| a) Cost of Materials** | 11690 | 12698 |
| b) Staff Cost | 1605 | 1519 |
| c) Power & Fuel | 1572 | 1498 |
| d) Other expenditure | 1862 | 2142 |
| Total | 16729 | 17857 |
| OPERATING PROFIT | 257 | -29 |
| Interest | 425 | 430 |
| Profit/(Loss) before Depreciation and Taxation | -168 | -459 |
| Depreciation | 378 | 370 |
| Profit/(Loss) Before Tax | -546 | -829 |
| Provision for Deferred Tax | 82 | 196 |
| Prior Period Tax Expense | -1 | - |
| Other Comprehensive income/(Loss) | 1 | 11 |
| TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAX | -464 | -622 |

* Sales includes Traded goods of Rs.270 lacs (Previous Year Rs. 565 lacs).

** Cost of Material includes Trading purchases of Rs.252 lacs (Previous Year Rs. 550 lacs).

DIVIDEND

In view of the Net loss incurred by the Company during the year, considering that your Directors have not recommended any Dividend for the year.

PERFORMANCE REVIEW

During the Financial Year under review, the Company has achieved turnover of Rs.17250 lacs against Rs. 18538 lacs in the corresponding previous year. The operating profit before interest, depreciation and tax was Rs.257 lacs as against loss of Rs.29 lacs. Total Comprehensive loss after Tax is Rs. 464 lacs as against loss of Rs. 622 lacs in the corresponding previous year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 of the Companies Act, 2013, your Directors confirm that:-

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures.
- b) they have 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 your company at the end of the financial year and of the Loss of the Company for that year.
- c) they have taken proper and sufficient care, for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- d) they have prepared the annual accounts on a going concern basis.
- e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) 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.

CORPORATE GOVERNANCE

Your Directors affirm their commitments to the Corporate Governance Standards prescribed by the Securities and Exchange Board of India (SEBI). A report on Corporate Governance with Management Discussion and

BOARDS' REPORT (Contd...)

Analysis required under Regulation 27 of the SEBI Regulations are attached as Annexure:

FIXED DEPOSITS

Company is not accepting Fixed Deposits from the public/ shareholders.

DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down

under Section 149(6) of The Companies Act, 2013 and Regulation 27 of the SEBI Regulations.

PERFORMANCE EVALUATION

The Board undertook the initiative to conduct a formal evaluation of its own performance and that of its committees & individual Directors. The Nomination & Remuneration Committee led the evaluation process.

The Independent Directors reviewed the performance of non-independent Directors, the Chairperson of the Company and the Board as a whole.

AUDITORS

i) Statutory Auditors

At the 60th AGM held on 29th day of September, 2022 the members approved appointment of M/s. Lodha & Co. LLP Chartered Accountants, Mumbai, as the statutory Auditors of the Company hold office till the conclusion of the 65th Annual General Meeting to be held in the year 2027.

ii) Cost Auditors

M/s. NSV Krishna Rao & Co., Cost Accountants were appointed by the Board of Directors as Cost Auditors of your Company for the year ended 31st March, 2025. For the Financial Year 2025-26 M/s. NSV Krishna Rao & Co., Cost Auditor is appointed with a remuneration of Rs. 50,000/- P.A. (Rupees Fifty thousand only) and same is recommended to the Shareholders for approval.

iii) Secretarial Audit

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report **Annexure-II**

M/s. V.Sidvilas & Associates., Company Secretaries in practicing were appointed by the Board of Directors as Secretarial Auditors of your Company for the year ended 31st March, 2025.

For a further period of 5 (Five years) from the Financial Year 2025-26 to 2029-30 M/s. V.Sidvilas & Associates Secretarial Auditor is appointed with a remuneration as decided by the Board of Director of the company is submitted to the Shareholders for approval.

PERSONNEL & INDUSTRIAL RELATIONS

There were no employees whose particulars are to be given in terms of Section 134 of the Companies Act, 2013 read with the Companies (Particulars of Employees) Regulations Rules, 1975.

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

The Companies Act, 2013 read with Rule 8 of Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 2014, are set out in **Annexure-I**, attached here to and forms part of this report.

VIGIL MECHANISM POLICY

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism Policy for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.gtnindustries.com under investor relations/ financial Reports.

RELATED PARTY TRANSACTIONS POLICY

In pursuance to the provisions of Section 188 of Companies Act, 2013, company established Related Party Transaction Policy. Related party transactions that were entered during the financial year were at an arm's length basis and wherein the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters,

BOARDS' REPORT (Contd...)

Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee/Board for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure-III**

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at www.gtnindustries.com under investor relations / financial results link.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is displayed in companies website i.e., <https://www.gtnindustries.com> under investor relations / financial results link.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RISK MANAGEMENT POLICY

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy

on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the Financial Year 2024-2025, the Company has received Zero complaints of sexual harassment, out of which Zero complaints have been disposed off by taking appropriate actions. The remaining Nil complaints are under investigation.

OTHER MANAGEMENT POLICES

The following policies are placed in company's website.

- 1) Policy for determining materiality of events
- 2) Policy on preservation of documents
- 3) Policy on code of conduct for Board Members
- 4) Nomination and Remuneration Policy
- 5) Archival Policy for material event/material information disclosed to the stock exchange(s).

DECLARATION OF MANAGING DIRECTOR & CEO

This is to certify that the Company had laid down code of conduct for all the Board Members and senior Management personnel of the company and the same is uploaded on its website www.gtnindustries.com

Further, certified that the members of the Board of Directors and Senior Management personnel have affirmed the compliance with the code applicable to them during the year ended 31st March, 2025

ACKNOWLEDGEMENT

Your Directors placed on record their sincere thanks to IDBI Bank Limited and YES Bank Limited, the concerned Departments of the State and Central Government, Employees and Shareholders of the Company for their valuable assistance, support and cooperation to the Company.

For and on behalf of the Board

Place: Hyderabad

Date : 28-05-2025

(M.K. PATODIA)

Chairman & Managing Director

BOARDS' REPORT (Contd...)**ANNEXURE – I**

Information as per Section 134 (3) (m) and read with Rule 8(3) (A) (B) (C) of Companies (Accounts) Rules 2014 and forming part of the Boards' Report:

A. Energy Conservation

The Company is making all round efforts for the conservation of energy, to reduce the energy cost, energy efficient equipment's are being used and purchased from outside. Total energy consumption and energy consumption per unit of production as prescribed in form – A, is as under

| | Particulars | Year Ended 31st March, 2025 | Year Ended 31st March, 2024 |
|-----------|---|--------------------------------|--------------------------------|
| i | Power Consumption | | |
| | 1. Electricity | | |
| | a) Purchased (Units in lacs) | 257.86 | 259.73 |
| | Total amount (Rs. In lacs) | 1572.17 | 1498.31 |
| | Rate per unit (Rs.) | 6.10 | 5.77 |
| | b) Own generation through Diesel | — | — |
| | Generator (units in lacs) | — | — |
| | Units per liter of diesel oil | — | — |
| | Cost per unit (Rs.) | — | — |
| | 2. Coal | Nil | Nil |
| | 3. Furnace Oil (low sulphur high stock oil) | Nil | Nil |
| | 4. Other internal generation | Nil | Nil |
| ii | Consumption per unit of production | | |
| | a) Electricity – Units per Kg. Yarn | 5.71 | 5.82 |
| | Units | 257.86 | 259.73 |
| | KG Produced | 45.15 | 44.63 |
| | b) Furnace Oil | | |
| | (low sulphur high stock oil) Ltrs. | | |
| | per Kg/unit. | | |

B. Technology Absorption

Efforts made in Technology Absorption as per **Form B**:

Indigenous technology alone is used and Research and Development are carried out by a separate Textile Research Association for Textile Units situated Southern Region (SITRA).

C. Foreign Exchange Earnings & Outgo-notes to accounts back up-CIF value

Total Foreign Exchange earned and used excluding capital goods, Components & Spares.

Earned : Rs.4842.58 lacs (Previous year Rs. 7508.61 lacs)

Used : Rs.1245.94 lacs (Previous year Rs. 28857.22 lacs)

For and on behalf of the Board

Place : Hyderabad

Date : 28-05-2025

(M.K. PATODIA)

Chairman & Managing Director

BOARDS' REPORT (Contd...)

ANNEXURE – II

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[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,
GTN Industries Limited

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

Based on my verification of the 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, 2025, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations & Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

BOARDS' REPORT (Contd...)

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited

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:

- a. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange
 - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year underreport;
 - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
- b. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.

further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Sri. Ranganath Venkata Mamidipudi and Sri Ashok Kumar Tiruvallur Thattai were appointed as Independent Directors and Smt Sabari Shekhar Kambli appointed as Independent Woman Director during the year under review.

Sri M. R. Vikram retired on completion of his tenure as Independent Director and Smt Rajul Kothari retired on completion of her tenure as Independent Woman Director during the year under review.

Adequate notice is given to all Directors to schedule Board Meetings, agenda and detailed notes on agenda were sent to 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

All decisions of the Board Meetings and Committees are carried through unanimously, As per the records provided by the company, none of the members of the Board dissented on any resolution passed at the meetings of the Board and any of its committees.

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.

For V. SIDVILAS & ASSOCIATES
Company Secretaries

Sd/-
(V. SIDVILAS)

Place: Hyderabad
Date : 28.05.2025

Proprietor
M. No. 41836
C.P No.15578

ICSI UDIN: A041836G000415209

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

Annexure "A"

To
The Members,
GTN Industries Limited

My report of even date is to be read along with this letter:

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

For **V. SIDVILAS & ASSOCIATES**
Company Secretaries

Sd/-
(V. SIDVILAS)
Proprietor

Place: Hyderabad
Date : 28.05.2025

M. No. 41836
C.P No.15578
ICSI UDIN: A041836G000415209

BOARDS' REPORT (Contd...)**ANNEXURE – III****FORM AOC-2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

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

| Sl.No | Particulars | Details |
|-------|---|---------|
| a) | Name (s) of the related party & nature of relationship | Nil |
| b) | Duration of the contracts/arrangements /transaction | Nil |
| c) | Salient terms of the contracts or arrangements or transaction including the value, if any | Nil |
| d) | Justification for entering into such contracts or arrangements or transaction | Nil |
| e) | Date of approval by the Board | Nil |
| f) | Amount paid as advances, if any | Nil |
| g) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Nil |

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

| Sl. No. | Particulars | Details |
|---------|---|--|
| a) | Name(s) of the related party transaction | GTN Engineering (India) Limited |
| b) | Nature of Relationship | Associate |
| c) | Nature of contracts/arrangements/ transaction | Sale of Yarn, Purchase of goods |
| d) | Duration of the contracts/arrangements / transaction | Annually |
| e) | Salient terms of the contracts or arrangements or transaction | At Competitive rates and at Arm's length |
| f) | Justification for entering into such contracts or arrangements transactions | Within the prescribed limit not exceeding 10% of the networth of the Company |
| g) | Date of approval by the Board | 28-05-2024 |
| h) | Amount incurred during the year (Rs. in Crores) | 11.33 |

REPORT ON CORPORATE GOVERNANCE

1. A brief statements on Company's Philosophy on Code of Governance

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations and in all its interactions with its stake holders, including Shareholders, Employees, the Government and the Lenders.

2. Board of Directors**a) Composition and category of Directors is as follows:**

| Category | Name of the Director(s) |
|--|--|
| Promoters: Executive Chairman & Managing Director | Mr. M.K.Patodia (DIN 00004752) |
| Independent Directors : | 1) Mr. Ranganath M V(DIN.00200486) 2) Mr. Ashok Kumar TT (DIN.08927060) |
| Independent Woman Director : | Mrs. Sabari S Kambli (DIN 00039148) |
| Non-Executive Directors : Non-Executive and Non-Independent Director | Mr.C.GeorgeJoseph (DIN 00309739) |

b) Attendance of each Director at the Board Meetings and the last AGM

| Name of the Director | Attendance Particulars | |
|----------------------|------------------------|----------|
| | Board Meetings | Last AGM |
| Mr. M K Patodia | 4 | Yes |
| Mr.C.George Joseph | 4 | No |
| Mr. Ranganath M V | 1 | Yes |
| Mr. Ashok Kumar T T | 2 | Yes |
| Mr. Sabari S Kambli | 2 | No |
| Mr. M.R.Vikram | 2 | Yes |
| Mrs. Rajul Kothari | 2 | No |

REPORT ON CORPORATE GOVERNANCE (Contd...)**c) Number of other Boards or Board Committees in which he/she is a member or Chairperson**

| Name of the Director | No. of other Directorships & Committee member | |
|----------------------|---|----------------------|
| | Directorships including Pvt. Ltd. | Committee Membership |
| Mr. M.K.Patodia | 7 | 2 |
| Mr. Ranaganath M V | 6 | 5 |
| Mr.Ashok Kumar T T | - | 2 |
| Mr. C.George Joseph | 3 | 6 |
| Mrs. Sabari S Kambli | 2 | 4 |

d) Number of Board Meetings held and the date on which held:

Four Board Meetings were held during the year on the following dates:

28th May, 2024

6th Aug, 2024

13th Nov, 2024

12th Feb, 2025

The Maximum time gap between any two meetings was not more than 120 days

e) Independent Directors:

The Company has complied with the conditions of Section 149(6) of the Companies Act, 2013 and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 regarding independence.

The Company has also obtained declaration of Independence from each Independent Directors pursuant to Section 149(7) of the Companies Act, 2013

f) Independent Directors Meeting:

A separate meeting of Independent Directors was held on 12-02-2025 without attendance of Non-Independent Directors and members of the Management.

3. Audit Committee**i. Brief description of terms of reference**

The present Audit Committee consists of Non-executive Directors viz., Mr. Ranganath M V , Chairman, Mr. Ashok Kumat T T and Mr. C.George Joseph. The constitution of Audit Committee also meets with the requirements under Section 177 of the Companies Act, 2013 and Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations.

The Audit committee shall oversee financial reporting process and disclosures, review annual financial statements, management discussion and analysis of financial condition and results of operation, review adequacy of internal audit function, related party transactions, review financial and risk management policies, to look into the reasons for material defaults in the payment to depositors, debenture/shareholders and creditors, if any, oversee compliance with stock exchange and legal requirements concerning financial statements, review auditors qualifications (draft) compliance with Accounting standards, recommending the appointment and renewal of external/Internal Auditors and Cost Auditors, fixation of audit fee and also approval for payment for other services etc.

REPORT ON CORPORATE GOVERNANCE (Contd...)**ii. Composition, name of members and Chairman**

| Name of Committee | Chairperson/Members of the Committee(s) |
|------------------------|---|
| AUDIT COMMITTEE | Mr. Ranganath M.V. - Chairman Mr. Ashok Kumar T.T. - Member Mr. C. George Joseph - Member |

iii. Meetings and attendance during the year 2024-25

| Name of the Member | Meetings held on | | | | No. of Meetings attended |
|---------------------|------------------|----------|----------|----------|--------------------------|
| | 28-05-24 | 06-08-24 | 13-11-24 | 12-02-25 | |
| Mr. Ranganath M V | - | - | L A | Attended | 1 |
| Mr. Ashok Kumar T T | - | - | Attended | Attended | 2 |
| C.George Joseph | Attended | Attended | Attended | Attended | 4 |
| Mr. M.R Vikram | Attended | Attended | - | - | 2 |
| Mrs. Rajul Kothari | Attended | Attended | - | - | 2 |

iv. Internal Audit and Control:

M/s. D.K. Baid & Co., Chartered Accounts, Hyderabad, Internal Auditors carried out Internal Audit of the Company. Internal Audit plan and their remuneration are being approved by the Audit Committee. The reports and findings of the Internal Auditors, the Internal Control Systems are periodically reviewed by the Audit Committee.

v. Prevention of Insider Trading:

The Audit Committee also mentions implementation and compliance of the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 2011 as amended update. Shri P. Prabhakara Rao, Company Secretary is the Compliance Officer of the Company.

vi. Vigil Mechanism:

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy duly adopted by the Board. The same is available on the website of the Company www.gtnindustries.com No personnel has been denied access to the Audit Committee to lodge their complaints/concern.

4. Nomination & Remuneration Committee:**i. Brief description of terms of reference**

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Chairman & Managing Director, KMP and other senior executives of the Company. The remuneration policy is in consonance with the existing industry practice and also with the provisions of the Companies Act, 2013

REPORT ON CORPORATE GOVERNANCE (Contd...)**ii. Composition, name of members and Chairman**

| | | |
|-------------------------------------|-----------------------|------------|
| NOMINATION & REMUNERATION COMMITTEE | Mr. Ashok Kumat T T | - Chairman |
| | Mrs. Sabari S Kambli | - Member |
| | Mr. C. Georpge Joseph | - Member |

iii. Attendance during the year

Nomination & Remuneration Committee Meeting was held on 06th Aug, 2024

iv. Remuneration policy

Company adopted to follow/comply the provisions of the Companies Act and pay managerial remuneration within the prescribed limits of Act/Schedule

v. Details of Remuneration to all the directors

No remuneration is paid to Non-Executive/Independent Directors except sitting fee at the rate of Rs.7500/- for each meeting of the Board, Audit, Stakeholders Relationship Committee and Nomination & Remuneration Committee Meetings.

| Name of the Director | Amounts (in Rs.) |
|----------------------|------------------|
| Mr. Ranganath M V | 15000 |
| MrAshok Kumar T T | 30000 |
| Mr.C.George Joseph | 67500 |
| Mrs. Sabari S Kambli | 30000 |
| Mr. M R Vikram | 37500 |
| Mrs. RajulKohtari | 37500 |

5. Stakeholders Relationship Committee**i. Names of Non-executive Director heading the committee:**

| | |
|----------------------|----------|
| Mr. Ranganath M V | Chairman |
| Mr.C.George Joseph | Member |
| Mrs. Sabari S Kambli | Member |

ii. Stakeholders Relationship Committee Meeting was held on 26th May, 2024 & 28th May, 2025**iii. Name and designation of Compliance officer: Shri P. Prabhakara Rao, Company Secretary****iv. Number of Shareholders Complaints received so far : 0****v. Number not solved to the satisfaction of shareholders: Nil****vi. Number of pending complaints:Nil**

REPORT ON CORPORATE GOVERNANCE (Contd...)**6. General Body Meetings**

- i. Location date and time of Annual/Extra-Ordinary General meetings held during last 3 years are as under:

| Year | Location | Nature of Meeting | Date | Day | Time |
|---------|--|-------------------|---------------------------|-----------|-----------|
| 2021-22 | Plot No. 29, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082 | POSTAL BALLOT | 14 th Apr, 21 | Wednesday | 5.00 P.M |
| 2021-22 | Chitkul village, Patancheru Mandal, Medak Dist., Telangana State | AGM | 29 th Sept, 22 | Thursday | 10.30 A.M |
| 2022-23 | Chitkul village, Patancheru Mandal, Medak Dist., Telangana State | AGM | 29 th Sept, 23 | Friday | 10.30 A.M |
| 2023-24 | Chitkul village, Patancheru Mandal, Medak Dist., Telangana State | AGM | 27 th Sept, 24 | Friday | 10.30 A.M |

- ii. Whether any special resolutions passed in the previous 3 AGMs: **YES**
- iii. Whether any Special Resolution passed last year through postal ballot - details of voting pattern - **NO**
- iv. Person who conducted the postal ballot exercise: **NA**
- v. Whether any special resolution is proposed to be conducted through postal ballot- **NO**
- vi. Procedure for postal ballot: Complied provisions of the Companies Act and Postal Ballot rules.

7. Disclosures

- i) Disclosure on materially significant related party transactions, that may have potential conflict with the interest of the Company at large:

During the year, the Company had not entered into any transaction of a material nature with any of the related parties, which were in conflict with the interest of the Company. All transactions with the related parties were in the ordinary course of business and at arms length.

- ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **None**
- iii) Whistle Blower policy and affirmation that no person has been denied access to the Audit Committee:

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report existing/ probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

REPORT ON CORPORATE GOVERNANCE (Contd...)

- iv) Details of compliance with all mandatory requirements and adoption of the non-mandatory requirements of the clause. The Company has complied with all mandatory requirements

- v) Reconciliation of Share Capital:

A qualified Practicing Company Secretary has carried out Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

- vi) CEO/MD and CFO Certification:

The Managing Director and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Regulation 33 and 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

- vii) Compliance on Corporate Governance:

The quarterly compliance report has been submitted to the Stock Exchange at BSE in the requisite format duly signed by the compliance officer, pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

- viii) Inter-se relationships between Directors and Key Managerial Personnel of the Company: **None**

- ix) No Disqualification Certificate from Company Secretary in Practice:

Certificate from Shri. V.Sidvilas, Company Secretary in Practice confirming that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director of Company by the SEBI/Ministry of Corporate Affairs/Statutory Authorities as stipulated under Regulation 34 of the Listing Regulations is attached to this report.

- x) Statutory Auditors:

Total fee for all services paid by the Company to the Statutory auditor and all entities in the network firms/net work entities of which statutory auditors is a part.

The Company does not have any subsidiary. The Remuneration paid by the Company to Statutory Auditors are provided in Financial Statements of the Company. The Company has not paid any fees to entities in the network firm/network entities of which statutory auditors is a part.

8. Means of Communication**Quarterly results**

The quarterly/half yearly un-audited and annual audited financial results of the Company are sent to the Stock Exchange(s) immediately after they are approved by the Board of Directors.

i. Newspapers wherein results normally published

The quarterly results are normally published in one of the all India circulated National and Local dailies such as Business Standard/Financial Express (National Daily) and Nava Telangana (Regional newspaper).

- ii. Any website where displayed : www.gtnindustries.com

REPORT ON CORPORATE GOVERNANCE (Contd...)

- iii. Whether it also displays official news releases: Yes
- iv. The presentation made to institutional investors or to the analysts: Nil

9. General Shareholders Information

- i) AGM: Date, Time and Venue
 Date and time : 24th Day of Sept, 2025 at 10.30 A.M
 Venue : Chitkul Village, Patancheru Mandal,
 Sanga Reddy Dist - 502307 Telangana.
- ii) Financial Year : 2024-2025
- iii) Date of Book closure : From: 19th Sept, 2025 To 24^h Sept, 2025
 (Both days inclusive)
- iv) Dividend payment date : No dividend recommended by the
 Board for the year 2024-25.
- v) Listing on Stock Exchanges at : BSE Limited (BSE)
- vi) STOCK CODE
 Scrip Code No. : BSE: 500170
 Trading Symbol

vii) Market price Data High, Low during each month in last financial year:

| Month & Year | BSE Ltd., (BSE) | |
|--------------|--------------------|-------------------|
| | Month's High Price | Month's Low Price |
| Apr-24 | 37.92 | 30.85 |
| May-24 | 35.40 | 29.94 |
| Jun-24 | 35.00 | 29.76 |
| Jul-24 | 39.00 | 32.32 |
| Aug-24 | 38.60 | 33.67 |
| Sep-24 | 39.08 | 34.30 |
| Oct-24 | 38.97 | 33.00 |
| Nov-24 | 38.00 | 32.92 |
| Dec-24 | 39.75 | 33.46 |
| Jan-25 | 38.89 | 30.01 |
| Feb-25 | 37.74 | 26.50 |
| Mar-25 | 30.00 | 23.30 |

- viii) Performance in comparison to broad –based indices such as BSE Sensex, CRISIL index etc.,-Our Company Scrip is actively traded and transactions are not many.

REPORT ON CORPORATE GOVERNANCE (Contd...)

- ix) Registrar and Transfer agents Integrated Registry Management Services Pvt.Ltd.,
2nd Floor, Kences Towers, No.1
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai – 600 017
Ph:044-28140801-03 Fax: 044-28142479
E mail: csdstd@integratedindia.in
- x) Share Transfer System SEBI notification dated 8th June, 2018 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The Shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company/its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs.
- Vid SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 July 02, 2025 thus in order to facilitate ease of investing for investors and to secure the rights of investors in the securities which were purchased by them, it has been decided to open a special window only for re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected / returned / not attended to due to deficiency in the documents / process / or otherwise, for a period of six months from July 07, 2025 till January 06, 2026.
- During this period, the securities that are re-lodged for transfer (including those requests that are pending with the listed company /RTA, as on date) shall be issued only in demat mode. Due process shall be followed for such transfer-cum-demat requests.

xi) Distribution of Shareholding as on 31st March, 2025

| Sl. No. | No. of Shares Held | No. of Shareholders | % of Shareholders | No. of Shares | % of Shares |
|---------|--------------------|---------------------|-------------------|-----------------|---------------|
| 1 | Upto 100 | 11533 | 79.21 | 374558 | 2.14 |
| 2 | 101 - 500 | 1970 | 13.53 | 532363 | 3.04 |
| 3 | 501-1000 | 511 | 3.51 | 414958 | 2.37 |
| 4 | 1001-10000 | 490 | 3.37 | 1335594 | 7.61 |
| 5 | 10001-100000 | 49 | 0.33 | 1370838 | 7.81 |
| 6 | ABOVE 100000 | 7 | 0.05 | 13512067 | 77.03 |
| | TOTAL | 14560 | 100.00 | 17540378 | 100.00 |

REPORT ON CORPORATE GOVERNANCE (Contd...)**xii) Dematerialization of Shares and liquidity**

The Shares of the Company are compulsorily traded in DEMAT form by all categories of investors w.e.f 28th August, 2000. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. As on 31st March, 2025, 98.81% Equity shares of the company were held in dematerialized form.

xiii) Plant location– Khurajgaon Village, Saoner Tahsil, Nagpur District, Maharashtra, Pin-441112

xiv) Address for Correspondence

Secretarial Department,
GTN INDUSTRIES LIMITED
 Plot No.29, Nagarjuna Hills,
 Punjagutta, Hyderabad – 500 082
 Telangana Tel: 040-43407777
 E-mail: shareddept@gtindustries.com
 Website: www.gtnindustries.com

The above report was adopted by Board of Directors at their meeting held on 28th May, 2025.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

I have examined the relevant records and documents of GTN Industries Limited, (hereinafter referred to as “the Company”) [CIN: L18101TG1962PLC054323] having Registered Office at Chitkul Village, Patancheru Mandal, Sangareddy District, Telangana - 502 307, maintained and produced before me by the Company, with respect to its Directors.

In my opinion and to the best of my knowledge and according to the information and explanations given to me and based on such verification, as considered necessary, I hereby certify that:

None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company.

This certificate is issued at the specific request of the Company for the purpose of submission to the BSE.

Place : Hyderabad
 Date : 28-05-2025

Sd/-
 Signature :
 Name of the Company Secretary : V. Sidvilas
 ACS No. 41836
 COP No. 15578
 UDIN: A041836G000415211

REPORT ON CORPORATE GOVERNANCE (Contd...)**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF GTN INDUSTRIES LIMITED**

1. This certificate is issued in accordance with our engagement letter dated 23-05-2025
2. This certificate contains details of compliance of conditions of corporate governance by **GTN INDUSTRIES LIMITED** ('the Company') for the year ended 31st March, 2025 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations:

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

4. Auditor's Responsibility.

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to explanations given to us, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

8. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Lodha & Co LLP
ICAI FRN: 301051E
Chartered Accountants

Sd/-

R P Baradiya
Partner

Place: Mumbai
 Date : 28-05-2025

Membership No.: 044101
 UDIN: 25044101BMIVNR3989

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE & DEVELOPMENTS:

The Indian textile industry, one of the largest sectors in the economy, has shown resilience and growth potential despite global economic challenges. The sector contributes approximately 14% to industrial production and 4% to the GDP, making it a significant employment generator and contributor to export earnings. In FY 2024-25, the industry benefited from recovering global demand post-COVID-19, increased production capacities, and favorable government initiatives. There has been a marked shift towards sustainable and eco-friendly textiles. Companies are investing in sustainable practices that comply with global standards, thus appealing to a growing market of environmentally conscious consumers.

The textile sector in India has shown significant resilience and adaptability in FY 2024-25, navigating challenges while positioning for growth. As we continue to innovate and respond to market demands, we remain optimistic about achieving our strategic goals for the coming years.

COTTON SCENARIO:

The Imposition of Tariffs Under President Trumps administration has led to significant disruptions in the global cotton industry Indian manufacturers are navigating a complex Environment of Both New Opportunities and Heightened challenges.

Cotton association of India (CAI) Estimation of cotton pressing is reduced by 4 Lakh bales It is Approximately 306.83 lakh bales (bale weight 162 kgs).The Export for the season 2024-25 will be 18 lakhs , 10 lakhs less compared to Last Season. The cotton Imports into India are Increased to 33 lakh bales for 2024-25 , 14 lakh bales higher by Last Season

Maximum Cotton procurement being done by cotton corporation of INDIA (CCI) in all states ; approximately 100 lakhs bales ; they Bought from Farmers @ MSP (Declared by the Central Government of India).Approximately 28 Lakh bales Sold to the Mills. Closing stock as at 30th September 2025 is estimated at 23.49 Lakh bales as against 30.19 lakh bales in Last Season

Cotton is one of the most important cash crops and accounts for around 21% of the total global fibre production. In the raw material consumption basket of the Indian textile industry, the proportion of cotton is around 60%. The consumption of cotton is approximately 316 lakh bales (170 kg each) per year. India occupies first position in the world in cotton acreage with around 126.80 lakh hectares under cotton cultivation which is around 36% of the world area of 326.36 lakh hectares. Approximately 62% of India's Cotton is produced on rain-fed areas and 38% on irrigated lands. India has emerged one of the largest producers, consumers and exporters of cotton in the World.

Cotton plays a major role in sustaining the livelihood of an estimated 5.8 million cotton farmers and 40- 50 million people engaged in related activities such as cotton processing and trade. To support the cotton industry, Government of India announces Minimum Support Price (MSP) for two basic staples groups viz., medium staple and long staple cotton. Cotton Corporation of India (CCI), a Public Sector Undertaking under the Ministry of Textiles, is the nodal agency of Government of India for undertaking MSP operations in the event of prevailing seed cotton (kapas) price touching the MSP level.

MARKETING:

Presently the yarn market in both domestic and overseas is quite subdued, as demand is quite low due to recession fears and other factors. The entire industry is reeling under low demand and price realisations.

We are expecting a rebound in the coming months

2. OPPORTUNITIES AND THREATS:

The future of Indian Textile industry is highly depending on availability of raw material at a competitive price. With the introduction of Hybrids and BT Cotton, the cotton production in India is increasing. However, it depends on timing and quantum of monsoon rains and it is expected that the supply of quality cotton will be comfortable in the coming season for 2024-2025

MANAGEMENT DISCUSSION & ANALYSIS (Contd...)

Chinese exports of Textiles and clothing are declining especially to USA due to political reasons thus, provides an opportunity to India for improving its export performance. In long run, the prospectus of Indian Textile Industry is bright. However, there is a recession in international markets such as Europe and other Asian countries.

Spinning units are highly capital intensive and has to maintain large Raw Material inventory levels due to its seasonality. Your Company makes all efforts to have efficient inventory management and constant efforts are being made to monitor the inventory levels keeping in view of interest costs. Your company has a system of assessing the risks on on-going basis. This includes an effective internal control and management reporting system. Further, the framework also captures the existing practices to manage commodity price risk, interest risk, and foreign exchange risk etc. An important aspect of this framework is to promote a balanced approach that considers risk and return.

Expect things to be better after September 24, when the European markets are back from summer holidays.

3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company is mainly engaged in the business of manufacture and export of cotton yarn and accordingly this is the only Single Reportable Segment.

4. OUTLOOK:

The Company continues to be an important player in the field of cotton yarn in medium and fine count segment yarns. There are good prospects for increasing exports of cotton yarn to Asian countries. The company is making all efforts to explore new markets apart from current markets.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

6. FINANCIAL AND OPERATIONAL PERFORMANCE:

Please refer Director's Report on performance review.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS (INCLUDING NUMBER OF PEOPLE EMPLOYED) :

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The company has been adopting methods and practices for Human

Resources Development. With utmost respect to human values, Company served its human resources with integrity through a variety of services by using appropriate training, motivation techniques and employee welfare activities etc. Industrial relations were cordial and satisfactory. As on 31st March 2025, the Company has about 310 (including workers etc.) employees.

8. CAUTIONARY STATEMENT :

Statements made in this report describing the Company's projections, estimates, expectations or predictions may be 'forward looking predictions' within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections, etc. whether expressed or implied. Factors which would make a significant difference to the Company's operations include availability of quality raw cotton, market prices in the domestic and overseas markets, changes in Govt. regulations and tax laws, economic conditions affecting demand/supplies and other environmental factors over which the Company does not have any control.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
GTN Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GTN Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and

INDEPENDENT AUDITOR'S REPORT (Contd..)

other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT (Contd..)

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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 Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Ind AS) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - 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 information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT (Contd..)

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 of the audited financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
- 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not proposed the payment of dividend on its Preference Shares for the current financial year.
- vi) Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, audit trail has been preserved by the Company as per statutory requirements for record retention.

For Lodha & Co LLP
ICAI FRN: 301051E/E300284
Chartered Accountants

R P Baradiya
Partner

Place: Mumbai
Date : 28-05-2025

Membership No.: 044101
UDIN: 25044101BMIVNQ7325

ANNEXURE A TO THE AUDITOR'S REPORT

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/s. GTN INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2025

According to the information and explanations given to us and on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE).
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) All the PPE have been physically verified by the management at regular intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its PPE. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the title in respect of freehold land and self-constructed buildings thereon, disclosed in the financial statements included under PPE are held in the name of the Company as at the balance sheet date.
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not carried out revaluation of its PPE during the year. Accordingly, reporting requirements of paragraph 3(i)(d) of the Order are not applicable to the Company.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure for such verification is appropriate. As per the information and explanation given to us and on the basis of our examination of the records, no discrepancies of 10% or more in the aggregate for each of inventory were noticed on physical verification of inventories as compared to book records.
- b) As disclosed in Note 17 to the financial statements, the Company has been sanctioned a working capital limit in excess of INR five crores by banks based on the security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company during the year with such banks are broadly, in all material respects, in agreement with the books of accounts.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting requirements of clause 3(iii) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, made investments, issued guarantees and security in

INDEPENDENT AUDITOR'S REPORT (Contd..)

terms of Section 185 and 186 of the Act. Accordingly, the reporting requirements of clause 3(iv) of the Order are not applicable to the Company.

- v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company. Accordingly, reporting requirements of paragraph 3(v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we are not required to, and thus, have not made a detailed examination of the same to determine whether they are accurate or complete.
- vii)
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2025 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations give to us and on the basis of our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix)
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or in the payment of interest to the banks. The Company does not have any loans from financial institutions and Government or dues to debenture holders.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not taken any term loans during the year and accordingly, the reporting requirements of paragraph 3(ix)(c) of the Order are not applicable to the Company.
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the company, we report that the Company has not used any funds raised on short-term basis for long-term purposes.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. The Company does not have any subsidiaries or joint ventures.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any loans during the year on the pledge of securities held in its associates. The Company does not have any subsidiaries or joint ventures.
- x) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting requirements of paragraph 3(x)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and accordingly, the reporting requirements of paragraph 3(x)(b) of the Order are not applicable to the Company.
- xi) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no whistle blower complaints have been received during the year by the Company and accordingly, the reporting requirements of paragraph 3(x)(b) of the Order are not applicable to the Company.
- xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Refer Note 38 to the financial statements.
- xiv) a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- b) We have considered, the report of the internal auditors for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per the provisions of Section 192 of the Act. Accordingly, reporting requirements under paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) a) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the reporting requirements of paragraph 3(xvi)(a) of the Order are not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
 - c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the reporting requirements of paragraph 3(xvi)(c) of the Order are not applicable to the Company.
 - d) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company, the Group has 1 CIC which is not required to be registered with the Reserve Bank of India.
- xvii) The Company has not incurred cash losses during the current financial year. However, it has incurred cash loss amounting to Rs. 243.84 lakhs in the immediately preceding financial year.
- xviii) There has been no resignation of statutory auditors of the Company during the year and accordingly, the reporting requirements of paragraph 3(xviii) of the Order are not applicable to the Company.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of the 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, will get discharged by the Company as and when they fall due.
- xx) As the provisions of Section 135 of the Act, are not applicable to the Company during the year, the reporting requirements of paragraph 3(xx) of the Order are not applicable to the Company.

For Lodha & Co LLP
ICAI FRN: 301051E/E300284
Chartered Accountants

R P Baradiya
Partner

Place: Mumbai
Date : 28-05-2025

Membership No.: 044101
UDIN: 25044101BMIVNQ7325

ANNEXURE B TO THE AUDITOR'S REPORT

ANNEXURE B REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GTN INDUSTRIES LIMITED FOR THE YEAR ENDED 31st MARCH, 2025

Report on the Internal Financial Controls 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 **GTN Industries Limited** (“the Company”) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

ANNEXURE B TO THE AUDITOR'S REPORT

A Company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.
- 4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Lodha & Co LLP
ICAI FRN: 301051E/E300284
Chartered Accountants

R P Baradiya
Partner

Place : Mumbai
Date : 28-05-2025

Membership No.: 044101
UDIN: 25044101BMIVNQ7325

GTN INDUSTRIES LIMITED

| BALANCE SHEET AS AT 31ST MARCH, 2025 | | | |
|--|-------------|---|-------------------------------|
| (Rs. in lacs) | | | |
| Particulars | Note | As at 31st March, 2025 | As at 31st March, 2024 |
| A ASSETS | | | |
| 1 NON-CURRENT ASSETS | | | |
| (a) Property, Plant and Equipment | 2 | 5,171.50 | 5,373.49 |
| (b) Capital Work in Progress | 3 | 174.02 | 26.35 |
| (c) Income Tax Assets (Net) | 4 | 96.56 | 87.73 |
| (d) Other Non-Current Assets | 5 | 534.63 | 610.43 |
| TOTAL NON-CURRENT ASSETS (A) | | 5,976.71 | 6,098.00 |
| 2 CURRENT ASSETS | | | |
| (a) Inventories | 6 | 3,702.45 | 3,963.69 |
| (b) Financial Assets: | | | |
| (i) Investments | 7 | 1,034.79 | - |
| (ii) Trade Receivables | 8 | 1,332.01 | 1,332.07 |
| (iii) Cash and Cash Equivalents | 9 | 255.89 | 1,128.50 |
| (iv) Bank balances other than Cash and Cash Equivalents | 10 | 222.62 | 700.95 |
| (v) Other Financial Assets | 11 | 18.44 | 29.02 |
| (c) Other Current Assets | 12 | 1,101.41 | 1,376.63 |
| (d) Assets held for Sale | | 8.38 | 9.51 |
| TOTAL CURRENT ASSETS (B) | | 7,675.99 | 8,540.37 |
| TOTAL ASSETS (A+B) | | 13,652.70 | 14,638.37 |
| B EQUITY AND LIABILITIES | | | |
| 1 EQUITY | | | |
| (a) Equity Share capital | 13 | 1,754.96 | 1,754.96 |
| (b) Other Equity | 14 | 6,585.52 | 7,049.15 |
| TOTAL EQUITY (A) | | 8,340.48 | 8,804.11 |
| 2 LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| - Borrowings | 15 | 2,106.99 | 1,887.91 |
| (b) Deferred Tax Liabilities (Net) | 16 | 675.79 | 757.66 |
| TOTAL NON-CURRENT LIABILITIES (B) | | 2,782.78 | 2,645.57 |
| 3 CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 1,801.39 | 2,170.71 |
| (ii) Trade Payables | 18 | | |
| -Total outstanding dues of micro enterprises and small enterprises | | 277.64 | - |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 365.09 | 869.11 |
| (iii) Other Financial Liabilities | 19 | - | 31.97 |
| (b) Provisions | 20 | 2.07 | 2.90 |
| (c) Other Current Liabilities | 21 | 83.25 | 114.00 |
| TOTAL CURRENT LIABILITIES (C) | | 2,529.44 | 3,188.69 |
| TOTAL EQUITY AND LIABILITIES(A+B+C) | | 13,652.70 | 14,638.37 |
| Material Accounting Policies | 1 | | |
| The accompanying notes form an integral part of the financial statements | 2-55 | | |
| As per our attached report of even date For Lodha & Co LLP Chartered Accountants FRN - 301051E/E300284 R.P. Baradiya Partner V. Raghu Ram Chief Financial Officer DIN : 03524068 P. Prabhakara Rao Company Secretary & Compliance Officer Membership No.: 08974 Place : Mumbai Date : 28.05.2025 | | For and on behalf of the Board M.K. Patodia Chairman and Managing Director DIN:00004752 Ranganath Venkata Mamidpudi Non - Executive Independent Director DIN:00200486 Ashok Kumar TT Non - Executive Independent Director DIN: 08927060 Sabari S. Kambli Non - Executive Independent Woman Director DIN: 00039148 | |

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in lacs)

| Particulars | Note | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|--|------|--|--|
| I. Revenue from Operations | 22 | 17,249.94 | 18,537.58 |
| II. Other Income | 23 | 77.27 | 142.75 |
| III. Total Income (I + II) | | 17,327.21 | 18,680.33 |
| IV. Expenses: | | | |
| Cost of Materials Consumed | 24 | 11,437.56 | 12,148.13 |
| Purchases of Stock-in-Trade | 25 | 252.34 | 550.17 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 26 | 341.32 | 817.57 |
| Employee Benefits Expense | 27 | 1,604.54 | 1,518.85 |
| Finance Costs | 28 | 425.21 | 430.02 |
| Depreciation Expenses | 2 | 378.36 | 370.36 |
| Other Expenses | 29 | 3,433.14 | 3,674.07 |
| Total Expenses | | 17,872.47 | 19,509.17 |
| V Profit / (Loss) before Tax (III - IV) | | (545.26) | (828.84) |
| VI. Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | 30 | 82.11 | 196.59 |
| Prior Period Income Tax Expense | | (1.20) | - |
| VII. Profit / (Loss) after Tax (V- VI) | | (464.35) | (632.25) |
| VIII. Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss: | | | |
| - Remeasurements of Defined Benefit Plans | | 0.96 | 14.01 |
| - Income tax relating to above | | (0.24) | (3.38) |
| IX. Total Comprehensive Income | | (463.63) | (621.62) |
| X. Earnings per equity share of face value of Rs. 10 each | | | |
| Basic & Diluted (in Rs.) | | (2.65) | (3.61) |
| Material Accounting Policies | 1 | | |
| The accompanying notes form an integral part of the financial statements | 2-55 | | |

As per our attached report of even date

For Lodha & Co LLP
Chartered Accountants
FRN - 301051E/E300284

R.P. Baradiya
Partner

V. Raghu Ram
Chief Financial Officer
DIN : 03524068

P. Prabhakara Rao
Company Secretary &
Compliance Officer
Membership No.: 08974

Place : Mumbai
Date : 28.05.2025

Place : Hyderabad
Date : 28.05.2025

For and on behalf of the Board

M.K. Patodia
Chairman and Managing Director
DIN:00004752

Ranganath Venkata Mamidpudi
Non - Executive Independent Director
DIN:00200486

Ashok Kumar TT
Non - Executive Independent Director
DIN: 08927060

Sabari S. Kambli
Non - Executive Independent Woman Director
DIN: 00039148

GTN INDUSTRIES LIMITED

| CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025 | | |
|---|--|--|
| (Rs. in lacs) | | |
| Particulars | For the year ended 31.03.2025 | For the year ended 31.03.2024 |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT/(LOSS) BEFORE TAX | (463.63) | (621.62) |
| Adjustments for: | | |
| Depreciation | 378.36 | 370.36 |
| Dividend Received | (4.83) | - |
| Interest Expense | 425.21 | 430.02 |
| Loss/(Gain) on Fair valuation of Investment in Equity Shares and Equity Oriented Mutual Funds | (34.71) | - |
| Loss/(Gain) on sale of Property, Plant and Equipment | 1.15 | 16.45 |
| Provision for Expected Credit Loss | - | 25.23 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 301.55 | 220.44 |
| Adjustment for changes in Working Capital: | | |
| (Increase)/decrease in Inventories | 261.24 | 435.33 |
| (Increase)/decrease in Trade receivables | 0.06 | 1,498.65 |
| (Increase)/decrease in Other financial assets | 10.58 | 6.18 |
| (Increase)/decrease in Other assets | 351.02 | 80.13 |
| Increase/(decrease) in Trade payables | (226.38) | (281.41) |
| Increase/(decrease) in Other financial liabilities | (31.97) | (444.34) |
| Increase/(decrease) in Provisions | (0.83) | (29.39) |
| Increase/(decrease) in Other liabilities | (112.62) | (206.42) |
| CASH GENERATED FROM OPERATIONS | 552.65 | 1,297.17 |
| Tax paid (Net of refund) | (8.83) | (34.83) |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 543.82 | 1,244.34 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment and Capital Work In Progress | (325.76) | (173.17) |
| Investment in Equity Shares and Equity Oriented Mutual Funds | (1,000.08) | - |
| Proceeds from sale of Property, Plant and Equipment | 1.70 | - |
| Increase/(decrease) in Other Bank Balances | 478.33 | (540.44) |
| Dividend Received | 4.83 | - |
| NET CASH USED IN INVESTING ACTIVITIES | (840.98) | (713.61) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds/(Repayment) from/of Long Term Borrowings | - | 215.20 |
| Redemption of Preference Shares Capital | - | (450.00) |
| Proceeds/(Repayment) from/of Short Term Borrowings | (369.32) | 976.72 |
| Interest paid | (206.13) | (437.36) |
| NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES | (575.45) | 304.56 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | (872.61) | 835.29 |
| CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR | 1,128.50 | 293.21 |
| CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR | 255.89 | 1,128.50 |
| Material Accounting Policies | 1 | |
| The accompanying notes form an integral part of the financial statements | 2-55 | |
| <div> <div> As per our attached report of even date For Lodha & Co LLP Chartered Accountants FRN - 301051E/E300284 R.P. Baradiya Partner V. Raghu Ram Chief Financial Officer DIN : 03524068 P. Prabhakara Rao Company Secretary & Compliance Officer Membership No.: 08974 Place : Mumbai Date : 28.05.2025 </div> <div> For and on behalf of the Board M.K. Patodia Chairman and Managing Director DIN:00004752 Ranganath Venkata Mamidpudi Non - Executive Independent Director DIN:00200486 Ashok Kumar TT Non - Executive Independent Director DIN: 08927060 Sabari S. Kambli Non - Executive Independent Woman Director DIN: 00039148 Place : Hyderabad Date : 28.05.2025 </div> </div> | | |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025

A. Equity Share Capital

(Rs. in lacs)

| Particulars | Amount |
|-------------------------------------|-----------------|
| Balance as at April 1, 2023 | 1,754.96 |
| Change in equity share capital | - |
| Balance as at March 31, 2024 | 1,754.96 |
| Change in equity share capital | - |
| Balance as at March 31, 2025 | 1,754.96 |

B. OTHER EQUITY

(Rs. in lacs)

| Particulars | Amalgamation Reserve | Securities Premium Reserve | Accumulated other Comprehensive income | Capital Redemption Reserve | Retained earnings | Total |
|--|----------------------|----------------------------|--|----------------------------|-------------------|-----------------|
| | | | Actuarial Gain / (Losses) | | | |
| Balance as at 31st March, 2023 | 621.49 | 1,112.08 | (20.32) | | 6,138.30 | 7,851.55 |
| Profit/(Loss) for the year | | | | | (632.25) | (632.25) |
| Other Comprehensive Income: | | | | | | |
| Remeasurement of post-employment benefit obligations (Net of Tax) | | | 10.63 | | | 10.63 |
| On account of Redemption of Preference Shares | | | | 450.00 | | 450.00 |
| Reversal on Equity Component of Preference shares on account of redemption | | | | | (180.78) | (180.78) |
| Transfer to Capital Redemption reserve | | | | | (450.00) | (450.00) |
| Balance as at 31st March, 2024 | 621.49 | 1,112.08 | (9.69) | 450.00 | 4,875.27 | 7,049.15 |
| Profit/(Loss) for the year | | | | | (464.35) | (464.35) |
| Other Comprehensive Income: | | | | | | |
| Remeasurement of post-employment benefit obligations (Net of Tax) | | | 0.72 | | | 0.72 |
| Balance as at 31st March, 2025 | 621.49 | 1,112.08 | (8.97) | 450.00 | 4,410.92 | 6,585.52 |

Material Accounting Policies

1

The accompanying notes form an integral part of the financial statements

2-55

As per our attached report of even date

For Lodha & Co LLP
Chartered Accountants
FRN - 301051E/E300284

R.P. Baradiya
Partner

V. Raghu Ram
Chief Financial Officer
DIN : 03524068

P. Prabhakara Rao
Company Secretary &
Compliance Officer
Membership No.: 08974

Place : Mumbai
Date : 28.05.2025

Place : Hyderabad
Date : 28.05.2025

For and on behalf of the Board

M.K. Patodia
Chairman and Managing Director
DIN:00004752

Ranganath Venkata Mamidpudi
Non - Executive Independent Director
DIN:00200486

Ashok Kumar TT
Non - Executive Independent Director
DIN: 08927060

Sabari S. Kambli
Non - Executive Independent Woman Director
DIN: 00039148

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025**NOTE 1: MATERIAL ACCOUNTING POLICIES****1.1 COMPANY OVERVIEW**

GTN Industries Limited (the "Company") is a public limited company incorporated in India and has its registered office at Chitkul Village, Patancheru Mandal, Sangareddy District - 502307, Telangana. It is incorporated under the Companies Act, 1956 and its shares are listed on the BSE Ltd.

The Company is engaged in the business of Spinning and Doubling of Yarn. It has its production facilities in the state of Maharashtra.

The financial statements are approved by the Company's Board of Directors on 28th May, 2025.

1.2 BASIS OF ACCOUNTING AND STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principal (GAAP) on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- i. Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments)
- ii. Defined Benefit and other Long-term Employee Benefits,

1.3 Use of Estimates and Judgements

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

1.4 Property, Plant and Equipment & intangible assets**Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation (except Freehold Land) and impairment loss, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**Capital Work-in-progress**

Assets which are not ready for their intended use are disclosed as Capital Work-in-Progress.

Depreciation/Amortisation:

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013.

Individual Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded.

Gains/Losses on disposals/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in Statement of Profit & Loss.

1.5 IMPAIRMENT OF NON FINANCIAL ASSETS

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a Group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

1.6 REVENUE RECOGNITION

The Company recognizes revenue, when or as control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, non-cash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated.

Variable Consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

The amount of variable consideration is calculated by either using the expected value or the most likely amount

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of goods:

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. Export sales are recognized based on the shipped-on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

Other Income

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

1.7 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

1.8 INVENTORIES

Inventories includes Raw Material, Semi-Finished Goods, Finished Goods, Waste Stock, Stores & spares and Packing Materials and are valued at lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Material and Components – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using Specific Identification Method.

Finished/Semi-Finished Goods/ Waste Stock – Cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis.

Stores, Spare Parts, Packing Materials etc. – Cost is determined on weighted average cost basis.

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

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

completion and the estimated costs necessary to make the sale.

Adequate allowance is made for obsolete and slow moving items.

1.9 FINANCIAL INSTRUMENTS**Financial assets - Initial recognition**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

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

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

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

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

Impairment

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities**Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

De-recognition

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

Derivative financial instruments

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company designates their derivatives as hedges of foreign currency risk associated with the cash flows of highly probable forecast transactions and variable interest rate risks associated with the borrowings.

The Company documents at the inception of hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset cash flow of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transaction at the inception of each hedge relationship.

Cash flows hedge that qualify for the hedge accounting

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit & loss, except for the effective portion of cash flow hedge which is recognized in other comprehensive income and presented as separate Branch of equity which is later reclassified to statement of profit & loss when the hedge item affects profit & loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**1.10 FAIR VALUE MEASUREMENT:**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.11 EMPLOYEE BENEFITS

The Company provides following post-employment plans:

- (a) Defined benefit plans such a gratuity and
- (b) Defined contribution plans such as Provident fund and Superannuation fund

a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefits:

- (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.
- (c) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss as and when incurred.
- (d) Other benefits comprising of discretionary long service awards are recognized as and when determined.

1.12 LEASES

As a Lessee:

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

The Company's lease asset classes generally consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company did not have any long-term leases, the adoption of this Standard did not have any impact on the loss for the quarter and year ended 31st March, 2025.

As a Lessor:

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

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

balance sheet based on their nature.

1.13 FOREIGN CURRENCY TRANSACTIONS**a) Initial Recognition**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

1.14 TAXES ON INCOME

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

1.15 PROVISIONS AND CONTINGENCIES

A provision is recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.16 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

1.17 CASH FLOW STATEMENT

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

1.18 BORROWING COST

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.19 EARNINGS PER SHARE

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

1.20 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

1.21 RECENT PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) has introduced a significant update via the Companies (Indian Accounting Standards) Amendment Rules, 2025, amending the Companies (Indian Accounting Standards) Rules, 2015. This amendment specifically addresses Ind AS 21: The Effects of Changes in Foreign Exchange Rates and Corresponding amendments are also made to Ind AS 101 regarding first-time adoption of Ind AS in the context of severe hyperinflation and non-exchangeable currencies. The above amendments are effective from April 1, 2025.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

NOTE 2 - PROPERTY, PLANT & EQUIPMENT

(Rs. in Lacs)

| Particulars | Land Free hold | Buildings | Plant and Equipment | Furniture and Fixtures | Electrical Equipment | Vehicles | Total |
|---|----------------|-----------------|---------------------|------------------------|----------------------|---------------|------------------|
| Gross Carrying amount | | | | | | | |
| Balance as at 31st March 2023 | 669.40 | 3,162.29 | 9,313.28 | 94.13 | 647.64 | 0.53 | 13,887.27 |
| Additions | - | 31.23 | 667.75 | - | 4.86 | - | 703.84 |
| Deductions/ Adjustment | - | - | 156.75 | 10.64 | 10.55 | - | 177.94 |
| Balance as at 31st March 2024 | 669.40 | 3,193.52 | 9,824.28 | 83.49 | 641.95 | 0.53 | 14,413.17 |
| Additions | - | 14.41 | 163.67 | - | - | - | 178.08 |
| Deductions/ Adjustment | - | - | 27.56 | 1.61 | - | 0.40 | 29.57 |
| Balance as at 31st March 2025 | 669.40 | 3,207.93 | 9,960.39 | 81.88 | 641.95 | 0.13 | 14,561.68 |
| Accumulated Depreciation | | | | | | | |
| Balance as at 31st March 2023 | - | 1,758.70 | 6,531.69 | 68.00 | 475.52 | 0.52 | 8,834.43 |
| Additions | - | 103.25 | 257.03 | 1.21 | 8.87 | - | 370.36 |
| Deductions/ Adjustment | - | - | 147.95 | 9.82 | 7.34 | - | 165.11 |
| Balance as at 31st March 2024 | - | 1,861.95 | 6,640.77 | 59.39 | 477.05 | 0.52 | 9,039.68 |
| Additions | - | 110.98 | 258.27 | 1.14 | 7.97 | - | 378.36 |
| Deductions/ Adjustment | - | - | 26.07 | 1.40 | - | 0.39 | 27.86 |
| Balance as at 31st March 2025 | - | 1,972.93 | 6,872.97 | 59.13 | 485.02 | 0.13 | 9,390.18 |
| Net carrying amount as at 31st March, 2024 | 669.40 | 1,331.57 | 3,183.51 | 24.10 | 164.90 | 0.01 | 5,373.49 |
| Net carrying amount as at 31st March, 2025 | 669.40 | 1,235.00 | 3,087.42 | 22.75 | 156.93 | (0.00) | 5,171.50 |

*Refer Note 40 for property, plant and equipment pledged/hypothecated as security.

NOTE 3 - CAPITAL WORK IN PROGRESS

(Rs. in Lacs)

| Particulars | Balance as at 31 st March, 2025 | Balance as at 31 st March, 2024 |
|--|--|--|
| Plant and Equipment under installation | 174.02 | 26.35 |
| Total | 174.02 | 26.35 |

CAPITAL-WORK-IN PROGRESS AGEING SCHEDULE

| Particulars | Balance as at 31 st March, 2025 | Balance as at 31 st March, 2024 |
|--------------------------|--|--|
| Less than 1 year | 147.67 | 26.35 |
| 1-2 years | 26.35 | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| | 174.02 | 26.35 |

NOTES ON “IND AS” FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

| | | (Rs. in lacs) | | | |
|---|-------------------------------------|------------------------------------|---------------------|------------------------------------|--------------------|
| Note 4 - NON-CURRENT ASSETS - INCOME TAX ASSETS | | As at | | As at | |
| | | 31st March, 2025 | | 31st March, 2024 | |
| Balance with Income Tax Authorities | | 96.56 | | 87.73 | |
| Total | | 96.56 | | 87.73 | |
| Note 5 - NON-CURRENT ASSETS-OTHER NON-CURRENT ASSETS | | 87.51 | | 148.17 | |
| Capital Advances for Property, Plant and Equipment - Refer Note 37 | | 4.45 | | 7.06 | |
| Prepaid Expenses | | 219.32 | | 202.06 | |
| Security Deposits : | | 2.38 | | 2.38 | |
| Electricity Deposit | | 220.97 | | 250.75 | |
| Others | | 534.63 | | 610.42 | |
| Balance with GST authorities | | | | | |
| Total | | 534.63 | | 610.42 | |
| Note 6 - CURRENT ASSETS - INVENTORIES* | | 2,673.46 | | 2,602.23 | |
| Raw Materials | | 737.27 | | 908.46 | |
| Finished Goods | | 189.57 | | 392.98 | |
| Semi-finished goods | | 65.79 | | 32.51 | |
| Waste Stock | | 36.36 | | 27.51 | |
| Stores, Spares and Packing Materials | | 3,702.45 | | 3,963.69 | |
| Total | | 3,702.45 | | 3,963.69 | |
| *Refer Note 40 for details of Inventories pledged as security. | | | | | |
| Note 7 - CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS | | (Rs. in lacs) | | | |
| Particulars | Face Value Per Share (in Rs.) | As at | | | |
| | | Nos. | 31st March, 2025 | Nos. | 31st March 2024 |
| A. Investment in Quoted Equity Shares at Fair Value through Profit and Loss: | | | | | |
| HDFC Bank Limited | 1.00 | 3,295 | 60.25 | - | - |
| ITC Limited | 1.00 | 11,760 | 48.19 | - | - |
| ITC Hotels Limited | 1.00 | 1,176 | 2.32 | - | - |
| Larsen & Toubro Limited | 2.00 | 1,415 | 49.40 | - | - |
| Tata Consultancy Services Limited | 1.00 | 1,300 | 46.86 | - | - |
| Titan Company Limited | 1.00 | 1,410 | 43.20 | - | - |
| Ultratech Cement Limited | 10.00 | 535 | 61.55 | - | - |
| B. Investment in Quoted Mutual Funds at Fair Value through Profit and Loss: | | | | | |
| ICICI Prudential Nifty ETF | 10.00 | 1,42,000 | 372.18 | - | - |
| Nippon India ETF Junior Bees | 1.00 | 52,150 | 350.84 | - | - |
| Total | | 2,15,041 | 1,034.79 | - | - |
| *Refer Note 40 for details of Investments pledged as security. | | | | | |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

Note 8 - CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES*

(Rs. in lacs)

| Particulars | As at 31 st March, 2025 | As at 31 st March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Trade Receivables considered good - Unsecured# | 1015.10 | 985.95 |
| Trade Receivables - Related Parties # | 316.91 | 346.12 |
| Trade Receivables - Credit impaired | 115.71 | 115.71 |
| | 1447.72 | 1447.78 |
| Less: Provision for Estimated Credit Loss | 115.71 | 115.71 |
| Total | 1332.01 | 1332.07 |

*Refer Note 40 for details of trade receivables pledged as security #Refer Note 38

Trade Receivables ageing schedule as at March 31, 2025

| Particulars | Outstanding for following periods from the date of transaction | | | | | |
|---|--|----------------------|-----------|-----------|----------------------|-----------------|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade receivables – considered good | 1,269.82 | 62.19 | - | - | - | 1,332.01 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables –considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | 115.71 | 115.71 |
| | 1,269.82 | 62.19 | - | - | 115.71 | 1,447.72 |
| Less: Allowance for bad and doubtful debts (Disputed + Undisputed) | - | - | - | - | 115.71 | 115.71 |
| | 1,269.82 | 62.19 | - | - | - | 1,332.01 |

GTN INDUSTRIES LIMITED
NOTES ON “IND AS” FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

Trade Receivables ageing schedule as at March 31, 2024

(Rs. in lacs)

| Particulars | Outstanding for following periods from the date of transaction | | | | | |
|---|--|-------------------|-----------|-----------|-------------------|----------|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade receivables – considered good | 1,332.07 | - | - | - | - | 1,332.07 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables –considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | 115.71 | 115.71 |
| | 1,332.07 | - | - | - | 115.71 | 1,447.78 |
| Less: Allowance for bad and doubtful debts (Disputed + Undisputed) | - | - | - | - | 115.71 | 115.71 |
| | 1,332.07 | - | - | - | - | 1,332.07 |

(Rs. in lacs)

| Particulars | As at 31 st March, 2025 | As at 31 st March, 2024 |
|--|------------------------------------|------------------------------------|
| Note 9 - CURRENT ASSETS - FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS | | |
| Cash in hand | 0.87 | 1.44 |
| Balances with banks - In Current Accounts | 255.02 | 1127.06 |
| Total | 255.89 | 1128.50 |
| Note 10 - CURRENT ASSETS - FINANCIAL ASSETS - OTHER BALANCES WITH BANKS | | |
| Margin Money Deposits with banks (under lien)# | 222.62 | 700.95 |
| Total | 222.62 | 700.95 |
| #Refer Note 40 | | |
| Note 11 - CURRENT ASSETS - OTHER FINANCIAL ASSETS | | |
| Unsecured, Considered good : | | |
| Advances to Employees | 0.16 | 0.70 |
| Interest accrued on Electricity Deposit | 14.60 | 23.96 |
| Other Deposits | 3.68 | 3.68 |
| Derivative Financial Assets | - | 0.68 |
| Total | 18.44 | 29.02 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**Note 12 - CURRENT ASSETS-OTHER CURRENT ASSETS****(Rs. in lacs)**

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|--|--|
| Unsecured, Considered good : | | |
| Export Incentives Receivable | 43.66 | 82.60 |
| Power Subsidy Receivable | 85.41 | 384.19 |
| Balance with GST Authorities | 700.76 | 754.55 |
| Prepaid Expenses | 63.47 | 63.76 |
| Advance to Vendors | 77.53 | 14.71 |
| Other Receivables | 130.58 | 76.82 |
| Total | 1,101.41 | 1,376.63 |

NOTE 13 - EQUITY - EQUITY SHARE CAPITAL

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|--|--------------------|--|--------------------|
| | Numbers | Rs. in lacs | Numbers | Rs. in lacs |
| Authorised | | | | |
| Equity Shares of Rs.10/- each | 20000000 | 2000.00 | 20000000 | 2000.00 |
| Redeemable Preference Shares of Rs.100/- each | 6000000 | 6000.00 | 6000000 | 6000.00 |
| Issued, subscribed and paid-up | | | | |
| Equity Shares of Rs. 10 each | 17558778 | 1755.88 | 17558778 | 1755.88 |
| Less : Forfeited Shares | | | | |
| Equity Shares of Rs.10/- each; Rs. 5/- paid up | 18400 | 0.92 | 18400 | 0.92 |
| Total | 17540378 | 1754.96 | 17540378 | 1754.96 |

- a) The Company has only one class of issued Equity Shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- b) The Company has only one class of Preference Shares, i.e., 0.01% Non-Convertible Redeemable Preference Shares ('NCRPS') having a par value of Rs. 100/- per share. These preference shares have been recognised as Compound Financial Instruments in accordance with Ind-AS 109 - Financial Instruments. Accordingly, the liability component of the preference shares issued has been disclosed in Note 15- Non-Current Liabilities- Financial Liabilities-Borrowings.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**c) The terms of issue of NCRPS are as follows:**

| Class of Shares / Date of Issue | Number | Amount (Rs. in lacs) | Redemption period from the date of issue |
|---------------------------------|------------------|-------------------------|---|
| 0.01% NCRPS of ₹ 100 each | | | |
| 24.04.2013 | 2,00,000 | 200.00 | After 15 years |
| 29.03.2014 | 50,000 | 50.00 | |
| 16.10.2014 | 3,00,000 | 300.00 | |
| 26.02.2015 | 5,00,000 | 500.00 | |
| 23.07.2015 | 2,00,000 | 200.00 | |
| 21.08.2015 | 3,00,000 | 300.00 | |
| 10.09.2015 | 1,00,000 | 100.00 | |
| 05.02.2016 | 3,00,000 | 300.00 | |
| 29.03.2016 | 3,00,000 | 300.00 | |
| 18.07.2016 | 1,00,000 | 100.00 | |
| 28.03.2017 | 1,00,000 | 100.00 | 10-15 years |
| 15.04.2017 | 1,50,000 | 150.00 | |
| 05.05.2017 | 1,15,000 | 115.00 | |
| 08.05.2017 | 1,35,000 | 135.00 | |
| 08.08.2017 | 5,00,000 | 500.00 | |
| 06.10.2017 | 1,00,000 | 100.00 | |
| 27.12.2017 | 2,00,000 | 200.00 | |
| 28.03.2018 | 5,00,000 | 500.00 | |
| TOTAL | 41,50,000 | 4,150.00 | |

(d) The reconciliation of the number of shares outstanding is set out below :

| Particulars | As at 31 st March, 2025 | | As at 31 st March, 2024 | |
|---|---------------------------------------|-------------|---------------------------------------|-------------|
| | Number | Rs. in lacs | Number | Rs. in lacs |
| i) Equity Shares of Rs. 10/- each | | | | |
| Shares at the beginning of the year | 1,75,40,378 | 1,754.96 | 1,75,40,378 | 1,754.96 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,75,40,378 | 1,754.96 | 1,75,40,378 | 1,754.96 |
| ii) 0.01% NCRPS of Rs. 100/- each | | | | |
| Shares at the beginning of the year | 41,50,000 | 4,150.00 | 46,00,000 | 4,600.00 |
| Add: Shares issued during the year | - | - | - | - |
| Less: Shares redeemed during the year | - | - | 4,50,000 | 450.00 |
| Shares outstanding at the end of the year | 41,50,000 | 4,150.00 | 41,50,000 | 4,150.00 |

*Refer Note 38

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**(e) The details of shareholders holding more than 5% shares:**

| Particulars | As at 31 st March, 2025 | | As at 31 st March, 2024 | |
|--|---------------------------------------|---------------|---------------------------------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| i) Equity Shares of Rs. 10/- each | | | | |
| GTN Engineering (India) Limited | 86,84,679 | 49.51% | 86,84,679 | 49.51% |
| Mahendra Kumar Patodia | 27,27,713 | 15.56% | 27,27,713 | 15.56% |
| Mahendra Kumar Patodia (HUF) | 11,12,104 | 6.34% | 11,12,104 | 6.34% |
| ii) 0.01% NCRPS of Rs. 100/- each | | | | |
| GTN Engineering (India) Limited | 38,25,000 | 92.17% | 42,75,000 | 92.93% |
| JEL Finance and Investments Limited | 3,00,000 | 7.23% | 3,00,000 | 6.52% |

f) Details of shares held by Promoters at the end of the year :

| Name of the Shareholders | As at 31st March, 2025 | | | As at 31st March, 2024 | | |
|---------------------------------|-------------------------|---------------|--------------------------------|-------------------------|------------|--------------------------------|
| | No. of Shares Shares | % of total | % Change during the year | No. of Shares Shares | % of total | % Change during the year |
| GTN Engineering (India) Limited | 86,84,679 | 49.51% | - | 86,84,679 | 49.51% | - |
| Mahendra Kumar Patodia | 27,27,713 | 15.56% | - | 27,27,713 | 15.56% | - |
| Mahendra Kumar Patodia (HUF) | 11,12,104 | 6.34% | - | 11,12,104 | 6.34% | - |
| Anjana Patodia | 5,14,332 | 2.93% | - | 5,14,332 | 2.93% | - |
| Total | 1,30,38,828 | 74.34% | - | 1,30,38,828 | 74.34% | - |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

Note 14 - OTHER EQUITY

(Rs. in lacs)

| Particulars | As at 31 st March, 2025 | As at 31 st March, 2024 |
|--|---------------------------------------|---------------------------------------|
| (a) Amalgamation Reserve | | |
| As per last Balance Sheet | 621.49 | 621.49 |
| (b) Securities Premium | | |
| As per last Balance Sheet | 1,112.08 | 1,112.08 |
| (c) Other Comprehensive Income | | |
| As per last Balance Sheet | (9.69) | (20.32) |
| Add: Remeasurement of post-employment benefit obligations (Net of Tax) | 0.72 | 10.63 |
| Sub-Total | (8.97) | (9.69) |
| (d) Capital Redemption Reserve | | |
| On account of Redemption of Preference Shares | 450.00 | 450.00 |
| (e) Retained Earnings | | |
| As per last Balance Sheet | 4,875.27 | 6,138.30 |
| Add : Net Profit/(Loss) for the year | (464.35) | (632.25) |
| Less: Reversal of Equity Component of Preference Shares on account of redemption | - | (180.78) |
| Less: Transfer to Capital Redemption reserve | - | (450.00) |
| Sub-Total | 4,410.92 | 4,875.27 |
| Total | 6,585.52 | 7,049.15 |

Footnotes: Nature and purpose of reserves

Amalgamation Reserve:

Amalgamation Reserve was created at the time of implementation of scheme of Amalgamation dated 01.04.1994. It is a non-distributable reserve in accordance with the provisions of the Act.

Securities Premium:

Securities Premium is created due to premium on issue of shares. This reserve can be utilised in accordance with the provisions of the Act.

Capital Redemption Reserves:

Capital Redemption Reserve is created out of profit available for distribution towards redemption of Preference shares. This reserve can be used for the purpose of issue of Bonus shares only.

Retained Earnings:

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves. It includes gain on recognition of equity component of compound financial instruments and revaluation of property, plant and equipment, in earlier years.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

| (Rs. in lacs) | | |
|--|---------------------------------------|---------------------------------------|
| Particulars | As at 31 st March, 2025 | As at 31 st March, 2024 |
| Note 15 - NON-CURRENT LIABILITIES FINANCIAL LIABILITIES- BORROWINGS | | |
| Unsecured : | | |
| Liability component of Compound Financial Instruments (Refer Note 13(b)) | 2,106.99 | 1,887.91 |
| Total | 2,106.99 | 1,887.91 |
| Note 16 - DEFERRED TAX LIABILITIES (NET)* | | |
| Deferred tax Liabilities/(Assets) on account of: | | |
| Depreciation on Property, Plant and Equipment | 858.30 | 891.34 |
| Disallowances under various sections of Income Tax Act, 1961 | (182.51) | (133.68) |
| Total | 675.79 | 757.66 |
| *Refer Note 30 | | |
| Note 17 - CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS | | |
| Secured, repayable on demand* | | |
| Working Capital Loans from Banks (Interest rate 6.00% p.a-10.75% p.a., Previous Year 8.67% p.a.) | 1,461.35 | 1815.47 |
| Unsecured, repayable on demand | | |
| -from Bodies Corporate (Interest Rate - 10.50% p.a., Previous Year - 10.50% p.a.) | 340.04 | 355.24 |
| Total | 1,801.39 | 2,170.71 |
| *Refer Note 40 for security clause #The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are broadly, in all material respects, in agreement with the books of accounts. | | |
| Note 18 - CURRENT LIABILITIES - FINANCIAL LIABILITIES - TRADE PAYABLES @ | | |
| (i) Trade Payables - Related Parties * | - | - |
| (ii) Trade Payables - Micro, Small and Medium Enterprises @ | 277.64 | - |
| (iii) Trade Payables - Others | 365.09 | 869.11 |
| Total | 642.73 | 869.11 |
| @ Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act) is based on the information available with the Company regarding the status of registration of such vendors under the said Act, and as per the intimation received from them on requests made by the Company. | | |
| *Refer Note 38 | | |

GTN INDUSTRIES LIMITED
NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)
Trade Payables ageing schedule as at March 31, 2025
(Rs. in lacs)

| Particulars | Outstanding for following periods from the due date of transaction | | | | |
|-----------------------------|--|-----------|-----------|----------------------|---------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 277.25 | - | - | - | 277.25 |
| (ii) Disputed dues – MSME | - | - | - | - | - |
| (iii) Others | 358.19 | - | - | 7.29 | 365.48 |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total | 635.44 | - | - | 7.29 | 642.73 |

Trade Payables ageing schedule as at March 31, 2024

| Particulars | Outstanding for following periods from the due date of transaction | | | | |
|-----------------------------|--|--------------|--------------|----------------------|---------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Disputed dues – MSME | - | - | - | - | - |
| (iii) Others | 839.01 | 11.81 | 11.99 | 6.30 | 869.11 |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total | 839.01 | 11.81 | 11.99 | 6.30 | 869.11 |

(Rs. in lacs)

| Particulars | As at 31 st March, 2025 | As at 31 st March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Note 19 - CURRENT LIABILITIES - FINANCIAL LIABILITIES - | | |
| OTHER FINANCIAL LIABILITIES | | |
| Interest accrued but not due | - | 31.97 |
| Total | - | 31.97 |
| Note 20- CURRENT LIABILITIES - FINANCIAL LIABILITIES - PROVISIONS | | |
| Provision for Employee Benefits # | | |
| Gratuity | 2.07 | 2.90 |
| Total | 2.07 | 2.90 |
| #Refer Note 34 | | |
| Note 21 - CURRENT LIABILITIES-OTHER CURRENT LIABILITIES | | |
| Advances from Customers | 25.98 | 49.93 |
| Statutory Dues | 57.27 | 64.07 |
| Total | 83.25 | 114.00 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

| (Rs. in lacs) | | |
|---|--|--|
| Particulars | For the year ended 31 st March, 2025 | For the year ended 31 st March, 2024 |
| Note 22 - REVENUE FROM OPERATIONS | | |
| Sale of Products | | |
| (i) Manufactured Products | 14,918.47 | 15,690.34 |
| (ii) Traded Goods | 270.21 | 564.56 |
| Sub Total(a) | 15,188.68 | 16,254.90 |
| Other Operating Income: | | |
| (i) Export Incentives | 212.16 | 95.71 |
| (ii) Waste Sales | 1,849.10 | 2,186.97 |
| Sub Total(b) | 2,061.26 | 2,282.68 |
| Total(a + b) | 17,249.94 | 18,537.58 |
| Note 23 - OTHER INCOME | | |
| Interest Income | 33.45 | 89.39 |
| Dividend Income | 4.83 | - |
| Gain on Foreign Currency Exchange Fluctuation (Net) | - | 34.58 |
| Profit on Fair Valuation of Financial Assets | 34.71 | - |
| Rental Income | 0.88 | 1.06 |
| Insurance Claims received | 1.64 | 5.77 |
| Miscellaneous Income | 1.76 | 11.95 |
| Total | 77.27 | 142.75 |
| Note 24 - COST OF MATERIALS CONSUMED | | |
| Opening Stock | 2,602.23 | 2,215.59 |
| Add: Purchases | 11,508.79 | 12,534.77 |
| Less: Closing Stock | 2,673.46 | 2,602.23 |
| Total | 11,437.56 | 12,148.13 |
| Particulars of Materials Consumed | | |
| Cotton | 11,437.56 | 12,148.13 |
| Total | 11,437.56 | 12,148.13 |
| Note 25 - PURCHASES OF STOCK-IN-TRADE | | |
| Cotton Yarn and Garments | 252.34 | 550.17 |
| Total | 252.34 | 550.17 |
| Note 26 - CHANGES IN INVENTORY | | |
| Opening Stock: | | |
| Finished Goods | 908.46 | 1,661.34 |
| Semi finished goods | 392.98 | 412.27 |
| Waste Stock | 32.51 | 77.91 |
| Sub-Total(a) | 1,333.95 | 2,151.52 |
| Closing Stock: | | |
| Finished Goods | 737.27 | 908.46 |
| Semi finished goods | 189.57 | 392.98 |
| Waste Stock | 65.79 | 32.51 |
| Sub-Total(b) | 992.63 | 1,333.95 |
| Total (a-b) | 341.32 | 817.57 |

GTN INDUSTRIES LIMITED

| NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd..) | | |
|--|---|---|
| (Rs. in lacs) | | |
| Particulars | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
| Note 27 - EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages and Bonus | 1,495.91 | 1,404.68 |
| Contributions to Provident and Other Funds | 60.04 | 70.04 |
| Workmen and Staff Welfare Expenses | 48.59 | 44.13 |
| Total | 1,604.54 | 1,518.85 |
| Note 28 - FINANCE COSTS | | |
| Interest Expense on Borrowings | 155.51 | 125.47 |
| Interest Expenses on Compound financial instruments | 219.08 | 214.64 |
| Other Borrowing Costs | 50.62 | 89.91 |
| Total | 425.21 | 430.02 |
| Note 29 - OTHER EXPENSES | | |
| Consumption of Stores and Spare Parts | 392.36 | 386.84 |
| Consumption of Packing Material | 231.52 | 251.96 |
| Power and Fuel | 1,572.17 | 1,498.31 |
| Processing Charges | 157.22 | 315.24 |
| Other Manufacturing and Operating expenses | 21.20 | 18.89 |
| Repairs to Buildings | 78.22 | 79.63 |
| Repairs to Machinery | 132.02 | 137.28 |
| Rent | 6.83 | 6.48 |
| Insurance | 52.91 | 53.42 |
| Rates and Taxes | 41.85 | 44.27 |
| Advertisement | 0.99 | 1.32 |
| Commission to Selling Agents | 180.86 | 225.87 |
| Foreign Currency Exchange Fluctuation (Net) | 5.49 | - |
| Freight, Forwarding and Other Expenses | 422.28 | 417.41 |
| Legal and Professional Expenses | 47.60 | 44.78 |
| Corporate Social Responsibility Expense* | - | 50.00 |
| Loss on Sale of PPE | 1.15 | 16.45 |
| Payment to Auditor# | 4.78 | 5.21 |
| Provision for Expected Credit Loss | - | 25.23 |
| Miscellaneous Expenses | 83.69 | 95.48 |
| Total | 3,433.14 | 3,674.07 |
| *Refer Note 52 | | |
| #Payment to Auditor: | | |
| -for Statutory Audit | 4.10 | 4.10 |
| -for Tax Audit | 0.20 | 0.20 |
| -for Out of Pocket Expenses | 0.48 | 0.91 |
| Total | 4.78 | 5.21 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

(Rs. in lacs)

| Particulars | | 2024-25 | 2023-24 | | |
|---|--|---|-------------------------|---|-------------------------|
| 30 INCOME TAXES | a) Tax expense recognised in the statement of Profit and Loss: | | | | |
| | Current tax | - | - | | |
| | Current year | - | - | | |
| | Total current tax | - | - | | |
| | Deferred tax | | | | |
| | Depreciation | (38.24) | (89.08) | | |
| | Origination and reversal of temporary difference and fair valuation of financial assets | (43.63) | (105.09) | | |
| | Total deferred income tax expense/(credit) | (81.87) | (194.17) | | |
| | Total income tax expense/(credit) | (81.87) | (194.17) | | |
| | b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows : | | | | |
| | Enacted income tax rate in India | 25.17 | 25.17 | | |
| | Profit before tax | (545.26) | (828.84) | | |
| | Income tax as per above rate | (137.24) | (208.62) | | |
| | Adjustments: | | | | |
| | Fair valuation adjustments on account of Ind AS | 55.14 | - | | |
| Disallowances as per the Income Tax Act, 1961 | 0.23 | 14.45 | | | |
| Income tax as per profit and loss statement | (81.87) | (194.17) | | | |
| c) The movement in deferred tax assets and liabilities during the year ended March 31, 2025 and March 31, 2024: | | | | | |
| | As at 31st, March, 2023 | (Credit)/charge in statement of Profit and Loss | As at 31st, March, 2024 | (Credit)/charge in statement of Profit and Loss | As at 31st, March, 2025 |
| Deferred tax assets/(liabilities) | | | | | |
| Property, plant and equipment | (982.68) | (91.35) | (891.33) | (38.24) | (853.09) |
| Unabsorbed losses as per Income Tax Act, 1961 | - | (102.76) | 102.76 | (49.05) | 151.81 |
| Amount allowable on payment basis and others | 31.96 | 1.05 | 30.91 | 5.41 | 25.50 |
| Total | (950.72) | (193.06) | (757.66) | (81.87) | (675.79) |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**31. FINANCIAL INSTRUMENTS**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows: (Rs. in lacs)

| | | | Instruments carried at fair value | Instruments carried at amortized cost | | |
|-------------------------------|------|---------|-----------------------------------|---------------------------------------|-----------------------------|------------------|
| | Note | At Cost | FVTPL | Carrying amount | Total carrying amount(A+ B) | Total fair value |
| a. Financial assets | | | | | | |
| As at 31st March, 2024 | | | | | | |
| Investments | 7 | - | - | - | - | - |
| Trade receivables | 8 | - | - | 1,332.07 | 1,332.07 | 1,332.07 |
| Cash & cash equivalents | 9 | - | - | 1,128.50 | 1,128.50 | 1,128.50 |
| Other bank balances | 10 | - | - | 700.95 | 700.95 | 700.95 |
| Other financial assets | 11 | - | - | 29.02 | 29.02 | 29.02 |
| Total | | - | - | 3,190.54 | 3,190.54 | 3,190.54 |
| As at 31st March, 2025 | | | | | | |
| Investments | 7 | - | - | 1,034.79 | 1,034.79 | 1,034.79 |
| Trade receivables | 8 | - | - | 1,332.01 | 1,332.01 | 1,332.01 |
| Cash & cash equivalents | 9 | - | - | 255.89 | 255.89 | 255.89 |
| Other bank balances | 10 | - | - | 222.62 | 222.62 | 222.62 |
| Other financial assets | 11 | - | - | 18.44 | 18.44 | 18.44 |
| Total | | - | - | 2,863.75 | 2,863.75 | 2,863.75 |

| | | | Instruments carried at fair value | Instruments carried at amortized cost | | |
|---------------------------------|-------|----------|--------------------------------------|---------------------------------------|-----------------------|------------------|
| | Note | FVTPL | Total carrying amount and fair value | Carrying amount | Total carrying amount | Total fair value |
| b. Financial Liabilities | | | | | | |
| As at 31st March, 2024 | | | | | | |
| Borrowings | 15,17 | 1,887.91 | 1,887.91 | 2,170.71 | 4,058.62 | 4,058.62 |
| Trade payables | 18 | - | - | 869.11 | 869.11 | 869.11 |
| Other financial liabilities | 19 | - | - | 31.97 | 31.97 | 31.97 |
| Total | | 1,887.91 | 1,887.91 | 3,071.79 | 4,959.70 | 4,959.70 |
| As at 31st March, 2025 | | | | | | |
| Borrowings | 15,17 | 2,106.99 | 2,106.99 | 1,801.39 | 3,908.38 | 3,908.38 |
| Trade payables | 18 | - | - | 642.73 | 642.73 | 642.73 |
| Other financial liabilities | 19 | - | - | - | - | - |
| Total | | 2,106.99 | 2,106.99 | 2,444.12 | 4,551.11 | 4,551.11 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**32 RISK MANAGEMENT****Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The company's activity expose it to market risk, liquidity risk, commodity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The Company's financial risk management policy is set by the Managing Director and governed by overall direction of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

| S.No. | Risk | Exposure arising from | Measurement | Management |
|-------|--------------------------------|---|--|---|
| A | Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments financial assets measured at amortised cost. | Ageing analysis Credit ratings | Credit limits and letters of credit and Performance guarantees. |
| B | Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| C | Market risk – interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |
| D | Market risk – foreign exchange | Future commercial transactions recognised financial assets and liabilities not denominated in INR. | Cash flow forecasting Sensitivity analysis | Forward foreign exchange contracts |
| E | Commodity risk | Purchase of RawMaterial | Fluctuation of Raw Cotton Price and Currency rates | Procurement and inventory strategy |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**A. CREDIT RISK**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- iv) Significant increase in credit risk on other financial instruments of the same counterparty

The company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

Provision for expected credit losses:

| Description of category | Category | Basis for recognition of expected credit loss provision | | |
|---|---|---|--------------------|---|
| | | Investments | Loans and deposits | Trade Receivables |
| Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil | High-quality assets, negligible credit risk | 12 month expected credit losses | | Life time expected credit (simplified approach) |
| Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past | Quality assets, low credit risk | | | |
| Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong | Standard assets, moderate credit risk | | | |
| Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 180 days past due | Substandard assets, relatively high credit risk | Life time expected credit losses | | |
| Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due | Low quality assets, very high credit risk | | | |
| Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Doubtful assets, credit-impaired | Asset is written off | | |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**Expected credit loss for loans, security deposits and investments:****As at 31st March' 2025****(Rs. in lacs)**

| Particulars | | Asset group | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|-------------------|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses | Financial assets for which credit risk has not increased significantly since initial recognition | Security deposits | 225.38 | - | - | 225.38 |
| Loss allowance measured at life-time expected credit losses | Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired | NA | - | - | - | - |

As at 31st March' 2024**(Rs. in lacs)**

| Particulars | | Asset group | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|-------------------|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses | Financial assets for which credit risk has not increased significantly since initial recognition | Security deposits | 208.13 | - | - | 208.13 |
| Loss allowance measured at life-time expected credit losses | Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired | NA | - | - | - | - |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**Expected credit loss for trade receivables under simplified approach****b. Reconciliation of loss allowance provision - Trade receivables****(Rs. in lacs)**

| Particulars | As at 31st March '25 | As at 31st March '24 |
|--|-----------------------------|-----------------------------|
| Opening provision | 115.71 | 90.48 |
| Additional provision made/reversal (Net) | - | 25.23 |
| Closing provisions | 115.71 | 115.71 |

B. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

The Company had access to following undrawn Borrowing facilities at end of reporting period: **(Rs. in lacs)**

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|--|------------------------------|------------------------------|
| Variable Borrowing - Cash Credit expires within 1 year | 2,938.65 | 3,584.53 |

Contractual maturity patterns of borrowings**(Rs. in lacs)**

| Particulars | As at 31st March 2025 | | |
|---|------------------------------|------------------|-----------------|
| | 0-1 years | 1-5 years | Total |
| Long term borrowings (Including current maturity of long term debt) | - | 2,106.99 | 2,106.99 |
| Short term borrowings | 1,801.39 | - | 1,801.39 |
| Total | 1,801.39 | 2,106.99 | 3,908.38 |

| Particulars | As at 31st March 2024 | | |
|---|------------------------------|------------------|-----------------|
| | 0-1 years | 1-5 years | Total |
| Long term borrowings (Including current maturity of long term debt) | - | 1,941.93 | 1,941.93 |
| Short term borrowings | 1,193.99 | - | 1,193.99 |
| Total | 1,193.99 | 1,941.93 | 3,135.92 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**Contractual maturity patterns of Financial Liabilities****(Rs. in lacs)**

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|--|-----------------------|-----------------------|
| | 0-12 Months | 0-12 Months |
| Trade Payable | 642.73 | 869.11 |
| Other Financial liabilities including derivative financial liabilities | - | 31.97 |
| Total | 642.73 | 901.08 |

C. MARKET RISK- INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk :**(Rs. in lacs)**

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|--|-----------------------|-----------------------|
| Borrowings bearing fixed rate of interest | 340.04 | 355.24 |
| Borrowings bearing variable rate of interest | 1,461.35 | 1,815.47 |

Interest rate sensitivity**A change of 50 bps in interest rates would have following Impact on profit before tax****(Rs. in lacs)**

| Particulars | 2024-2025 | 2023-2024 |
|-------------------------------------|-----------|-----------|
| 50 bp increase- decrease in profits | 7.31 | 9.08 |
| 50 bp decrease- Increase in profits | 7.31 | 9.08 |

D. MARKET RISK- FOREIGN CURRENCY RISK.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the company are significantly higher in comparison to its imports. Foreign currency exchange rate exposure is partly balanced by exports of goods and prudent hedging policy.

Foreign Currency Exposure

| Name of the Instrument | 2024 - 2025 | | 2023- 2024 | |
|--|------------------|---------|------------------|--------|
| | Foreign Currency | INR | Foreign Currency | INR |
| Open Foreign Exchange Exposures - Receivable-USD | 3.20 | 273.40 | 3.69 | 307.70 |
| Open Foreign Exchange Exposures - Receivable-EUR | - | - | 0.49 | 44.30 |
| Open Foreign Exchange Exposures - Payable-USD | 17.51 | 1496.44 | 4.86 | 405.72 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**Foreign Currency Risk Sensitivity****(Rs. in lacs)****A change of 1% in Foreign currency would have following Impact on profit before tax:**

| Particulars | 2024-2025 | | 2023-2024 | |
|--|----------------|--------------|---------------|-------------|
| | 1% Increase | 1% decrease | 1% Increase | 1% decrease |
| USD | (12.23) | 12.23 | (0.98) | 0.98 |
| EURO | - | - | (0.44) | 0.44 |
| Increase / (decrease) in profit or loss | (12.23) | 12.23 | (1.42) | 1.42 |

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

| Name of the Instrument | 2024-2025 | | 2023-2024 | |
|------------------------|------------------|-----|------------------|--------|
| | Foreign Currency | INR | Foreign Currency | INR |
| Forward Sale-USD | - | - | 4.72 | 346.60 |

The Company enjoys natural hedge to the extent of: a) Exports effected and b) Inventory held (being sensitive to exchange rate fluctuations). Although the Company believes that these derivatives constitute hedges from a economic prospective, they might not qualify for hedge accounting under Ind AS 109.

E. COMMODITY RISK

- (a) Principal Raw Material for Company's products is cotton which is an agricultural commodity and thus, seasonal in nature. Company sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario.
- (b) Volatility in raw cotton prices, currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market and domestic market affect the effective price and availability of cotton for the Company. Company effectively manages and deals with availability of material as well as price volatility through:
 1. Widening its sourcing base
 2. Appropriate contracts and commitments
 3. Well planned procurement & inventory strategy

33 CAPITAL RISK MANAGEMENT

A The Company's objectives when managing capital are to

- i. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- ii. maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the following Debt Equity ratio:

| Particulars | 31 March, 2025 | 31 March, 2024 |
|-----------------------------|----------------|----------------|
| Total Debt | 3,908.38 | 4,058.62 |
| Total Equity | 8,340.48 | 8,804.11 |
| Debt to Equity Ratio | 0.47 | 0.46 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

Net Debt Reconciliation

(Rs. in lacs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|---|-----------------------|---|-----------------------|
| | Liability component of Compound Financial Instruments | Working Capital Loans | Liability component of Compound Financial Instruments | Working Capital Loans |
| Opening Net Debt | 1,887.91 | 2,170.71 | 1,941.93 | 1,193.99 |
| Proceeds from Borrowings | - | - | - | 976.72 |
| Repayment of Borrowings | - | (369.32) | (268.66) | - |
| Interest expense on Compound Financial instruments | 219.08 | - | 214.64 | - |
| Closing Net Debt | 2,106.99 | 1,801.39 | 1,887.91 | 2,170.71 |

34. DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

i) **Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes.

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance Sheet

| Particulars | Defined benefit plans | |
|-----------------------------------|------------------------|------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Present value of plan liabilities | 278.95 | 301.85 |
| Fair value of plan assets | 276.89 | 298.95 |
| Asset/(Liability) recognised | 2.07 | 2.90 |

B. Movements in plan assets and plan liabilities

| Particulars | Present value of obligations | Fair Value of Plan assets |
|---|------------------------------|---------------------------|
| As at 1st April 2023 | 303.48 | 271.74 |
| Current service cost | 12.52 | - |
| Past service cost | - | - |
| Transfer in/(out) plan assets | - | - |
| Interest Cost/(Income) | 20.40 | 18.54 |
| Return on plan assets excluding amounts included in net finance income/cost | - | 3.51 |
| Actuarial (gain)/loss arising from changes in demographic assumptions | - | - |
| Actuarial (gain)/loss arising from changes in financial assumptions | 1.32 | - |
| Actuarial (gain)/loss arising from experience adjustments | (11.83) | - |
| Employer contributions | - | 29.20 |
| Benefit payments | (24.04) | (24.04) |
| As at 31st March 2024 | 301.85 | 298.95 |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

| (Rs. in lacs) | | |
|---|------------------------------|---------------------------|
| Particulars | Present value of obligations | Fair Value of Plan assets |
| As at 1st April 2024 | 301.85 | 298.95 |
| Current service cost | 11.69 | - |
| Past service cost | - | - |
| Transfer in/(out) plan assets | - | - |
| Interest Cost/(Income) | 19.16 | 19.38 |
| Return on plan assets excluding amounts included in net finance income/cost | - | 1.86 |
| Actuarial (gain)/loss arising from changes in demographic assumptions | - | - |
| Actuarial (gain)/loss arising from changes in financial assumptions | 7.54 | - |
| Actuarial (gain)/loss arising from experience adjustments | (6.64) | - |
| Employer contributions | - | 11.35 |
| Benefit payments | (54.65) | (54.65) |
| As at 31st March 2025 | 278.95 | 276.89 |

The liabilities are split between different categories of plan participants as follows:

- active members - 100% (2019-20: 100%)

The Company expects to contribute to the funded plan as and when required.

The Plan assets have been invested in Insurance managed funds.

C. Statement of Profit and Loss

| Particulars | 2024- 2025 | 2023- 2024 |
|---|---------------|----------------|
| Employee Benefit Expenses: | | |
| Current service cost | 11.69 | 12.52 |
| Interest cost/(income) | (0.21) | 1.86 |
| Total amount recognised in Statement of Profit & Loss | 11.48 | 14.38 |
| Remeasurement of the net defined benefit liability: | | |
| Return on plan assets excluding amounts included in net finance income/(cost) | (1.86) | (3.51) |
| Experience gains/(losses) | 0.90 | (10.51) |
| Total amount recognised in Other Comprehensive Income | (0.96) | (14.02) |

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

The significant actuarial assumptions were as follows:

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------|------------------------|------------------------|
| Financial Assumptions | | |
| Discount rate | 6.55% | 7.20% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Attrition Rate | 3.00% | 3.00% |

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08)

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are: (Rs. in lacs)

| Impact on defined benefit obligation | As at 31st March, 2025 | | |
|--------------------------------------|------------------------|------------------------|------------------------|
| | Change in assumption | Increase in assumption | Decrease in assumption |
| Discount rate | 0.50% | (5.83) | 6.09 |
| Salary Escalation Rate | 0.50% | (16.75) | (5.95) |
| Attrition Rate | 0.50% | (22.39) | (23.42) |
| Impact on defined benefit obligation | As at 31st March, 2024 | | |
| | Change in assumption | Increase in assumption | Decrease in assumption |
| Discount rate | 0.50% | (6.52) | 6.79 |
| Salary Escalation Rate | 0.50% | 5.27 | (6.69) |
| Attrition Rate | 0.50% | (0.94) | (2.35) |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

F. The defined benefit obligations shall mature as follows:

(Rs. in lacs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------|------------------------|------------------------|
| 0-4 years | 0.70 | 0.47 |
| 4-10 years | 9.24 | 7.82 |
| 10-15 years | 7.93 | 8.50 |
| More than 15 years | 261.08 | 285.06 |

Compensated Absences: The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined at actuals since outstanding leaves at the end of the year are not allowed to be carried forward.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**35 EARNINGS PER SHARE (EPS)****(Rs. in lacs)**

| Particulars | 2024- 2025 | 2023- 2024 |
|--|--------------------|--------------------|
| Profit after tax(PAT) available for equity shareholders (before exceptional items) | (464.35) | (632.25) |
| Profit after tax(PAT) available for equity shareholders (after exceptional items) | (464.35) | (632.25) |
| Weighted average number of equity Shares | 1,75,40,378 | 1,75,40,378 |
| Nominal value of equity Shares (In nos.) | 10.00 | 10.00 |
| Basic & diluted earning per share before exceptional items (in Rs.) | (2.65) | (3.61) |
| Basic & diluted earning per share after exceptional items (in Rs.) | (2.65) | (3.61) |

36 CONTINGENT LIABILITIES**(Rs. in lacs)**

| Particulars | 2024- 2025 | 2023- 2024 |
|--|-------------------|-------------------|
| Disputed other dues (Gram Panchayat Tax, FSA charges, Non-agricultural Tax, Sewerage Cess etc.,) | 77.95 | 69.59 |
| Cross Subsidy charged by the Electricity Department | 221.46 | 122.08 |

Notes:

- The issues of litigation pertaining to Central Excise/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

37 COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and are not provided for: Rs. 806.30 lacs (Previous Year Rs. 1240.60 lacs); net of advances of Rs. 87.51 Lacs (Previous Year Rs. 148.17 lacs).

38 DISCLOSURE ON RELATED PARTY TRANSACTIONS**a) Names of related parties and description of relationship:****i) Associate and other related parties with whom transactions have been entered during the course of business:**

GTN Engineering (India) Limited
JEL Finance & Investment Limited
M/s Megha Investments Private Limited
M/s Modesty Finance & Investments Private Limited

ii) Key Managerial Personnel:

Shri M.K. Patodia - Chairman & Managing Director
Shri V. Raghuram-Chief Financial Officer
Shri P. Prabhakara Rao-Company Secretary

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

b) During the year, the following transactions were carried out with related parties: (Rs. in lacs)

| Sl. No. | Nature of Transactions | Associates | Key Management Personnel |
|---------|---|-----------------------------|--------------------------|
| 1 | Sales, Services and Other income: GTN Engineering (India) Limited | 305.71 (1,007.10) | |
| 2 | Purchase of Goods and Services: GTN Engineering (India) Limited | 827.59 (970.83) | |
| 3 | Interest on Unsecured Loans: M/s Megha Investments Private Limited | 7.96 (7.96) | |
| 4 | Transfer of Electricity Deposit GTN Engineering (India) Limited | 298.68 (-) | |
| 5 | Redemption of Preference Shares Capital GTN Engineering (India) Limited | - (450.00) | |
| 5 | Remuneration to Key Managerial Personnel: – Mr. M.K. Patodia | | 18.76 (19.57) |
| | – Mr. V. Raghuram | | 15.49 (17.06) |
| | – Mr. P. Prabhakara Rao | | 3.60 (3.60) |

c) Outstanding balances as on 31st March, 2025: (Rs. in lacs)

| Sl. No. | Nature of Transactions | Associates | Key Management Personnel |
|---------|--|-------------------------------|-------------------------------|
| 1 | Receivables GTN Engineering (India) Limited | 316.91 (346.12) | |
| 2 | Borrowings: Megha Investments Private Limited | 79.63 (86.79) | |
| 3 | 0.01% Non-Cumulative Redeemable Preference Shares: M/s GTN Engineering (India) Limited | 3,825.00 (3,825.00) | |
| | M/s JEL Finance & Investments Limited | 300.00 (300.00) | |
| | M/s Modesty Finance & Investments Private Limited | 25.00 (25.00) | |
| 4 | Guarantees given by: Mr M.K. Patodia (Refer Note 40) | | 1,461.35 (2,039.46) |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**Notes:**

- a) Figures in brackets relate to previous year.
- b) Related party relationship is as identified by the management and relied upon by the auditors.
- c) No amounts in respect of related parties have been written off/ written back during the year.
- d) Terms and conditions for sales and purchases: All sale and purchase transactions with the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates with the related parties. For the year ended 31st March, 2025, the Company has not recorded any loss allowances for the transaction between the related parties.
- e) All the material transactions stated above with related parties are on arm's length basis.

39 Based on the "Management Approach" as defined in Ind AS 108 – Operating Segments, the Company is engaged in the business of Textile Products and as such has only a Single Reportable Business Segment. The Company has all its production facilities and all other assets located in India. Sales to external customers comprise export sales of Rs. 4,933.94 lacs (Previous Year Rs. 7,095.84 lacs) and local sales of Rs. 12,316 lacs (Previous Year Rs. 11,441.74 lacs).

40 Assets provided as security

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:
(Rs. in lacs)

| Particulars | As at 31 March, 2025 | As at 31 March, 2024 |
|--|----------------------|----------------------|
| Current Assets | | |
| Financial Assets | | |
| Investments | 1,034.79 | - |
| Trade receivables | 1,332.01 | 1,332.07 |
| Other Bank Balances | 222.62 | 700.95 |
| Non Financial Assets | | |
| Inventories | 3,702.45 | 3,963.69 |
| Total Current assets provided as security | 6,291.87 | 5,996.71 |
| Non Current Assets | | |
| Property, Plant and Equipment | 5,171.50 | 5,373.49 |
| Total non-current assets provided as security | 5,171.50 | 5,373.49 |
| Total assets provided as security | 11,463.37 | 11,370.20 |

Note:

Working Capital Loans are secured by a first charge by way of hypothecation of the current assets of the Company, both present and future and by way of first charge on fixed assets, ranking paripassu, inter-se among working capital banks. These Working Capital facilities are further guaranteed by Managing Director.

41 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)

- 42** The title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- 43** No Loans or Advances have been granted to promoters, directors, KMPs and the related parties during the year ended 31st March, 2025 and 31st March, 2024.
- 44** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 45** The Company has not been declared a wilful defaulter (as defined by RBI Circular) by Any bank or financial Institution or other lender.
- 46** The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- 47** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 48** The Company does not have any subsidiaries and hence, the provisions of clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.
- 49** The Company has not entered into scheme of arrangement during the year and previous year.
- 50 Utilisation of Borrowed funds and share premium:**
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd..)

51. Ratios

| Sl. No. | Ratio | Formula | Particulars | | March 31, 2025 | | March 31, 2024 | | Ratio as on | | Variation | Reason (if variation is more than 25%) |
|---------|----------------------------------|---|--|--|----------------|-------------|----------------|-------------|----------------|----------------|-----------|--|
| | | | Numerator | Denominator | Numerator | Denominator | Numerator | Denominator | March 31, 2025 | March 31, 2024 | | |
| a) | Current Ratio | Current Assets / Current Liabilities | Current Assets = Inventories + Trade Receivables + Cash & Cash Equivalents + Loans + Other Current Assets + Contract Assets + Assets held for Sale | Current Liability = Short term borrowings + Trade Payables + Other financial Liability + Current tax (Liabilities) + Contract Liabilities + Provisions + Other Current Liability | 7,675.99 | 2,529.44 | 8,540.37 | 3,188.69 | 3.03 | 2.68 | -13% | NA |
| b) | Debt-Equity Ratio | Debt / Equity | Debt = long term borrowing and current maturities of long-term borrowings | Equity = Equity + Reserve and Surplus | 3,908.38 | 8,340.48 | 4,058.62 | 8,804.11 | 0.47 | 0.46 | -2% | NA |
| c) | Debt Service Coverage Ratio | Net Operating Income / Debt Service | Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost | Debt Service = Interest & Lease Payments + Principal Repayments | 339.22 | 575.45 | 169.13 | (304.56) | 0.59 | -0.55 | 207% | On account of lower operating income during the current year as compared to previous year. There is decrease in the Debt Service Coverage Ratio. |
| d) | Return on Equity Ratio | Profit after tax x 100 / Shareholder's Equity | Net Income = Net Profits after taxes | Shareholder's Equity | (464.35) | 8,340.48 | (632.25) | 8,804.11 | -0.06 | -0.07 | 22% | NA |
| e) | Inventory Turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of Goods Sold | (Opening Inventory + Closing Inventory)/2 | 17,447.26 | 3,833.07 | 19,079.15 | 4,181.36 | 4.55 | 4.56 | 0.24% | NA |
| f) | Trade Receivables Turnover Ratio | Net Credit Sales / Average Trade Receivables | Net Credit Sold | (Opening Trade Receivables + Closing Trade Receivable)/2 | 17,249.94 | 1,332.04 | 18,537.58 | 2,094.01 | 12.95 | 8.85 | -46% | On account of improvement in the trade receivables cycle. |
| g) | Trade Payables Turnover Ratio | Net Credit Purchases / Average Trade Payables | Net Credit Purchases | (Opening Trade Payables + Closing Trade Payables)/2 | 11,508.79 | 755.92 | 12,534.77 | 1,009.81 | 15.22 | 12.41 | -23% | NA |
| h) | Net Capital Turnover Ratio | Revenue / Average Working Capital | Revenue | Average Working Capital = Average of Current assets - Current liabilities | 17,249.94 | 5,249.11 | 18,537.58 | 5,662.44 | 3.29 | 3.27 | -0.38% | NA |
| i) | Net Profit Ratio | Net Profit / Net Sales | Net Profit | Net Sales | (463.63) | 17,327.21 | (621.62) | 18,680.33 | -0.03 | -0.03 | 20% | NA |
| j) | Return on Capital Employed | EBIT / Capital Employed | EBIT = Earnings before interest and taxes | Capital Employed = Total Assets - Current Liability | (120.05) | 11,123.26 | (398.82) | 11,449.68 | -0.01 | -0.03 | 69% | On account of decrease in losses during the current year as compared to previous year. |
| k) | Return on Investment | Net Profit / Net Investment | Net Profit | Net Investment = Net Equity | (463.63) | 8,340.48 | (621.62) | 8,804.11 | -0.06 | -0.07 | 21% | NA |

NOTES ON IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.,)**52. Corporate Social Responsibility****(Rs. in lacs)**

| Particulars | As at March March 31, 2025 | As at March March 31, 2024 |
|--|---------------------------------------|---------------------------------------|
| A) Gross Amount required to be spent as per Section 135 of the Act | - | 46.14 |
| Add: Amount Unspent from previous years | - | - |
| Total Gross amount required to be spent during the year | - | 46.14 |
| B) Amount approved by the Board to be spent during the year | - | 50.00 |
| C) Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | - | 50.00 |
| D) Details related to amount spent | | |
| Contribution to Charitable Trust | - | 50.00 |
| Spent on CSR activities | - | - |
| TOTAL | - | 50.00 |

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company during the current year.

- 53** The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 54** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 55** Previous year's figures have been re-grouped/re-classified wherever required to conform to current year's classification. All figures of financials has been rounded to nearest lakhs to rupees.

V. Raghu Ram
Chief Financial Officer
DIN : 03524068

P. Prabhakara Rao
Company Secretary &
Compliance Officer
Membership No.: 08974

Place : Hyderabad
Date : 28.05.2025

For and on behalf of the Board
M.K. Patodia
Chairman and Managing Director
DIN:00004752

Ranganath Venkata Mamidpudi
Non - Executive Independent Director
DIN:00200486

Ashok Kumar TT
Non - Executive Independent Director
DIN: 08927060

Sabari S. Kambli
Non - Executive Independent Woman Director
DIN: 00039148

**63rd ANNUAL GENERAL MEETING
FORM MGT-11 PROXY FORM**

I/We, being the member(s) of.....shares of the above named company, hereby appoint
 1).....of.....having emailed.....Signaure.....or failing him/her
 2).....of.....having emailed.....Signaure.....or failing him/her
 3).....of.....having emailed.....Signaure.....or failing him/her

as my / our proxy to attend and vote for me / us on my /our behalf at the **63rd ANNUAL GENERAL MEETING** of the Company to be held on Wednesday the 24th day of Sep, 2025 at 10.30 A.M. at Chitkul village, Patancheru Mandal, Sngareddy District-502307 Telangna and at any adjournment thereof in respect of such resolution as are indicated below:

| | | |
|---|--|---|
| Signature of First Proxy Holder..... Signature of Second Proxy Holder.....Affix a Signature of Third Proxy Holder..... Rs.1/- Signed this Day of Sept, 2025. | <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Signature | <div style="border: 1px solid black; padding: 10px; width: 50px; margin: 0 auto;"> Revenue Stamp </div> |
|---|--|---|

The Proxy form duly completed should be deposited at the Corporate Office of the Company at Plot No. 29, Nagarajna Hills, Punjagutta, Hyderabad – 500 082 not later than 48 hours before the time for holding the aforesaid meeting.



63rd ANNUAL GENERAL MEETING ATTENDANCE SLIP

I, hereby record my presence at the **63rd ANNUAL GENERAL MEETING** of the Company to be held at Chitkul village, Patancheru Mandal, Sangareddy Dist, Telangana at 10.30A.M on Wednesday the 24th day of Sept, 2025

Members / Joint Members / Proxies are requested to bring the attendance slip with them, duly completed when they come to the meeting and handover them at the gate, affixing signature(s) on them. Duplicate slips will not be issued at the Venue.



AN ISO 9001-2000 CERTIFIED COMPANY

Registered Office

Chitkul Village, Patancheru Mandal,
Sangareddy Dist., -502307, Telangana

Corporate Office

Plot No. 29, Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082. Telangana.