



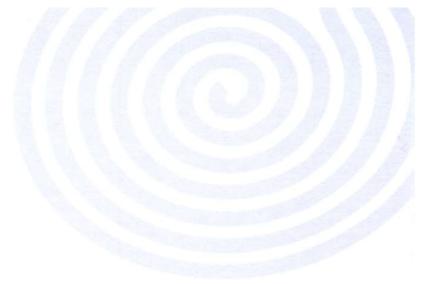
DEEPAK SPINNERS LIMITED

A Government Recognised Export House
Corporate Identification No. : L17111HP1982PLC016465

Registered Office & Works :

121, Industrial Area, Baddi, Tehsil Nalagarh,
District Solan, Himachal Pradesh - 173 205
Phone : +91 1795 244 011/16

E-mail : baddi@dsl-india.com Website : www.dsl-india.com



REF.NO/DSL/PA/2025

Dated 25th August 2025

To,
BSE Limited,
P. J. Towers, 25th Floor,
Dalal Street,
Mumbai – 400 001

SCRIP CODE – 514030

Sirs,

Subject: Annual Report for the year 2024-25

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find annexed herewith the Annual Report of the Company for the year 2024-25.

The Company's Annual Report for the year 2024-25 is being sent electronically to those shareholders whose email IDs are registered with the Company / Registrar and Share Transfer Agent and the Depositories.

The Company's Annual Report for the year 2024-25 is also being uploaded to the Company's website, i.e., www.dsl-india.com.

You are requested to take the same on your record.

FOR DEEPAK SPINNERS LIMITED

(PUNEETA ARORA)
COMPANY SECRETARY

Encl : As above



43rd
ANNUAL REPORT
2024-25

DEEPAK SPINNERS LIMITED



DEEPAK SPINNERS LIMITED

Corporate Identity Number (CIN)-L17111HP1982PLC016465

Shri Pradip Kumar Daga	:	Chairman Emeritus
Board of Directors		
Shri Yashwant Kumar Daga	:	Chairman and Managing Director
Shri Raja Ram Kankani	:	President and Whole Time Director
Shri Shantanu Daga	:	Non-Executive Non-Independent Director
Shri Sanjiv Banerji	:	Non-Executive Non-Independent Director
Shri Shounak Mitra	:	Non-Executive Independent Director
Shri Satya Prakash Sarada	:	Non-Executive Independent Director
Shri Hussan Lal	:	Non-Executive Independent Director
Smt. Sonu Jain	:	Non-Executive Independent Director
Shri Gajendra Singh Rathore	:	Chief Financial Officer
Shri M. S. Shekhawat	:	Sr. Vice President (Marketing)

Baddi Works

121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh – 173205.

Shri Sudesh Tiwari	:	Executive President
Shri S. K. Thakur	:	Sr. Vice President (Engineering)
Shri Sham Sunder Saxena	:	Sr. Vice President (Personnel & Administration)

Guna Works

Village: Pagara, Tehsil & Distt. Guna, Madhya Pradesh

Shri Matru Prasad Satpathy	:	Executive President
Shri Yogendra Kumar Singh	:	Vice President (Personnel & Administration)

Company Secretary

Smt. Puneeta Arora

Bankers

State Bank of India

Auditors

Salarpuria & Partners, Chartered accountants
(Firm ICAI Registration No.302113E)
Kolkata

Registered office and Administrative Office

121, Industrial Area, Baddi,
Tehsil: Nalagarh, District: Solan,
Himachal Pradesh – 173205.

Corporate Office

16, Hare Street, Kolkata – 700001.

<u>Contents</u>	<u>Page no.</u>
Board's Report	2
Management Discussion and Analysis Report	11
Annexures to Board's Report	15
Report on Corporate Governance	28
Independent Auditor's Report	54
Balance Sheet	68
Statement of Profit and Loss	69
Statement of Cash Flows	70
Statement of Changes in Equity	72
Notes to the Financial Statements	73

Boards' Report

Dear Shareholders,

The Board of Directors of your Company ('Board') is pleased to present their 43rd Annual Report and the Audited Financial Statements for the Financial year ended 31st March 2025.

1. Financial Results

	(Rs.in Lakhs)	
	31st March 2025	31st March 2024
Profit before Depreciation & Tax	358.14	2095.74
Less: Depreciation	1755.06	1890.79
Tax Expense		
-Current year	(40.05)	115.00
-Deferred Tax	(337.86)	(40.39)
Add: Other Comprehensive Income	22.37	39.09
Total Comprehensive Income for the year	(996.64)	169.43
Transfers and appropriations:		
Dividend for 2023-24 paid during the year	35.95	179.73
Proposed dividend	-	-
Balance carried forward to Reserves and Surplus	(1032.59)	(10.30)

The above figures are extracted from the audited financial statements as per Indian Accounting Standards (Ind AS). There has been no change in the nature of the business activities of the Company during the year.

2. Dividend

The Board of Directors has decided not to recommend any dividend for the financial year ended on 31st March 2025, after careful consideration of the Company's financial position and future growth plans.

3. General Review

The past year has presented significant challenges, marked by global geopolitical tensions and economic uncertainties that have impacted market dynamics. Imports of fabrics from China remain a matter of concern; however, proactive steps have been undertaken to strengthen domestic competitiveness through strategic quality improvements and enhanced market positioning.

Export demand witnessed slight improvements compared to the previous year, driven by renewed interest in specialized yarn segments. However, the domestic market continued to face an oversupply situation, exerting pressure on pricing. Despite these challenges, the Company undertook strategic pricing adjustments and strengthened its demand forecasting mechanisms, which helped mitigate the adverse impact on yarn pricing.

Investment in modernization and upgradation continues to be a cornerstone of the Company's long-term strategy. During the year, the 4 MW solar power plant at the Guna unit was completed and commissioned, contributing meaningfully to energy efficiency and cost savings. However, a substantial increase in power tariffs by the Himachal Pradesh Government led to a rise in energy costs at the Baddi plant, resulting in steep increase in additional expenditure as compared to FY 2023-24. The Company remains steadfast in its commitment to manufacturing excellence, embracing new technologies and optimizing production

efficiency. Modernization initiatives undertaken during the year have started to yield tangible cost savings. The benefits of these initiatives are expected to further strengthen the Company's cost competitiveness and contribute positively to profitability in the coming financial year.

4. Credit Rating

The Company has got the following credit rating from M/s. ICRA Limited on 22nd August 2024.

Facility	Amount (Rs. Crore)	Rating / Outlook
On Long Term Scale		
Fund Based – Cash Credit	60.00	[ICRA]A- (Negative)
Non-Fund Based – Bank Guarantee	3.00	
Total	63.00	
On Short Term Scale		
Fund Based – Export Packing Credit (interchangeable)^	(15.00)	[ICRA]A2+
Fund Based – Bill Discounting (Interchangeable)^	(15.00)	
Non-Fund Based – Letter of Credit	2.00	
Non-Fund Based – Capex Letter of Credit	10.00	
Non-Fund Based – Credit Exposure Limit	1.00	
Total	13.00	
^Within the overall fund based working capital limit		

5. Internal Financial Control Systems

The Internal Control Systems are aligned with the nature of the business and the scale and complexity of the business of the Company. These are designed to ensure adherence to Company policies, safeguarding of assets, prevention and detection of fraud, accuracy and completeness of accounting records. These internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit the timely preparation of financial statements in conformity with established accounting principles. During the year under review, the Company has not come across any incidence of fraud.

An independent audit function is an important element of the Company's internal control system. Internal Audit is conducted by independent Chartered Accountants every quarter. Significant audit observations and subsequent actions are regularly reported to the Audit Committee. To uphold audit independence, internal auditors report directly to the Audit Committee.

6. Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company in 40th AGM had approved the appointment of M/s. Salarpuria & Partners, Chartered Accountants (ICAI Registration No. (302113E) ("M/s. S&P") as the Statutory Auditors of the Company for a term of five consecutive years, that is, from conclusion of 40th AGM of the Company till the conclusion of the 45th AGM of the Company.

7. Auditors' Report

The Auditors' Report to the Shareholders given by M/s. Salarpuria & Partners, Chartered Accountants, on Financial Statements of the Company for the Financial Year 2024-25 is part of the Annual Report. The Auditor's Report does not contain any reservations, qualifications or adverse remarks. During the year under

review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

8. Secretarial Audit

Pursuant to Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit was carried out by M/s A. Arora & Co., Company Secretaries (PCS Registration No. 993) for the financial year 2024-25. The Secretarial Audit Report is annexed as 'Annexure – II', and forms an integral part of this Report.

The Secretarial Report is self-explanatory and does not call for any further comments. The Secretarial Audit Report have reported about delay of 2 days in submitting quarterly statement of shareholders complaints with BSE Limited, delay in appointment of woman director, and due to consecutive resignations and retirement of the independent directors, there were consequent delays in the reconstitution of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee, for which BSE Limited also levied fine.

The Company currently has a properly constituted Board of Directors and its Committees, in accordance with applicable laws and regulations.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013; therefore, no details are required to be disclosed under Section 134(3) (ca) of the Act.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulation, 2024, the Board has recommended appointment of M/s A. Arora & Co., Company Secretaries (PCS Registration No. 993) as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from 1st April 2025 till 31st March 2030. The appointment will be subject to the approval of the shareholders at the ensuing AGM.

The Company has received their written consent that the appointment is under the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified from being appointed as the Secretarial Auditors of the Company.

9. Cost Audit

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is required to make and maintain cost records in respect of its manufacturing activities and get them audited by a qualified Cost Accountant

The Board of Directors have, on the recommendation of the Audit Committee, appointed M/s Shakti K. & Associates, Cost Accountants (ICWAI Registration no. 11338), as Cost Auditors of the Company, to carry out cost audit of the products manufactured by the Company for the Financial Year 2025-26. The Company has received their written consent that the appointment is under the applicable provisions of the Companies Act, 2013 and rules framed thereunder. They have also confirmed that they are not disqualified to be appointed as Cost Auditors of the Company for the Financial Year 2025-26.

The remuneration of the Cost Auditor has been approved by the Board of Directors on the recommendation of the Audit Committee. As required under the Companies Act, 2013, In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be placed before the members in a general

meeting for their ratification. Accordingly, the necessary resolution is proposed for ratification for the remuneration payable to M/s. Shakti K. & Associates, Cost Auditors in the Notice convening the 43rd AGM.

10. Directors and Key Managerial Personnel (KMP)

- (a) (i) Smt. Asha Devi Daga (DIN - 00048885), Non-Executive Non-Independent Director of the Company ceased to hold the directorship with effect from 30th August 2024, as the resolution pertaining to her re-appointment as Director pursuant to her retirement by rotation could not be passed due to want of requisite majority.
- (ii) Shri Vivek Chiraniya (DIN – 00166690), Non-Executive Independent Director, resigned from his directorship on 31st August 2024. He was unable to continue as the Independent Director of the Company due to other important professional commitments, and
- (iii) Shri Anand Prasad Agarwalla (DIN – 00312652), Non-Executive Independent Director resigned from his directorship on 5th September 2024. He could not continue as an Independent Director due to personal reasons.
- (iv) Shri Sharad Agarwal (DIN – 06490590), Non-Executive Independent Director, resigned from his directorship on 15th November 2024. He resigned due to reason of paucity of time and other professional commitments

The aforesaid directors, who have resigned, have confirmed that there are no other material reasons other than those provided by them. Your Directors wish to place on record their appreciation for the contribution made by the outgoing Directors towards the progress and working of the Company and in maintaining the efficiency of corporate governance practices.

- (v) Shri Sanjiv Banerji (DIN – 07575727) was appointed as Non-Executive Independent Director with effect from 13th November 2024 for a period of five consecutive years till 12th November 2029.
- (vi) Shri Shounak Mitra (DIN - 07762047) was appointed as Non-Executive Independent Director with effect from 13th November 2024 for a period of five consecutive years till 12th November 2029.
- (vii) Shri Satya Prakash Sarma (DIN - 01089614) was appointed as Non-Executive Independent Director with effect from 30th December 2024 for a period of five consecutive years till 29th December 2029.
- (viii) Shri Hussan Lal (DIN - 02286226), was appointed as Non-Executive Independent Director with effect from 6th January 2025 for a period of three consecutive years till 5th January 2028.
- (xi) Ms. Sonu Jain (DIN - 07267279) was appointed as Non-Executive Independent Director with effect from 6th January 2025 for a period of three consecutive years till 5th January 2028.

The aforesaid appointments were duly approved by shareholders vide Postal Ballot, which concluded on 10th February 2025.

- (x) Pursuant to Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri Shantanu Daga (DIN - 08757724), Non-Executive Non-Independent Director, retires by rotation at the forthcoming AGM and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment. The brief resume and other details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), read with the Secretarial Standard 2, are provided in the Notice of the 43rd AGM.

- (xi) By the provisions of the Companies Act, 2013 and the Articles of Association of the Company, and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors has appointed Shri Raja Ram Kankani (DIN: 09188079), President of the Company, as Whole-Time Director, designated as 'President and Whole-Time Director', for three years with effect from **22nd May 2025 to 21st May 2028**. This appointment follows his induction as an Additional Director at the same Board meeting and is subject to the approval of shareholders at the forthcoming Annual General Meeting. Appropriate resolutions in this regard are included in the Notice convening the 43rd AGM for members' approval. A brief resume of Shri Kankani and other details, as required under the Listing Regulations, are provided in the said Notice.
- (xii) Shri Punam Chand Sharma, Chief Financial Officer, resigned from his post with effect from 31st January 2025.
- (xiii) Shri Gajendra Singh Rathore was appointed Chief Financial Officer in place of Shri Punam Chand Sharma with effect from 1st February 2025.

There were no other changes in the Directors and Key Managerial Personnel of the Company.

(b) Statement on declarations given by Independent Directors

All the Independent Directors of your Company have submitted the declarations confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013 and Regulation 25 read with Regulation 16 of the Listing Regulations and are eligible to continue as Independent Directors.

All the Independent Directors of the Company have confirmed compliance of the relevant provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Board believes that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold the highest standards of integrity.

(c) Meetings of the Board of Directors

During the year, Nine Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between any two consecutive meetings did not exceed the gap prescribed by the Companies Act, 2013 and the Listing Regulations.

(d) Committees of the Board

The Board of Directors of the Company has the following four Committees –

- a) The Audit Committee,
- b) The Corporate Social Responsibility Committee,
- c) The Nomination and Remuneration Committee and
- d) The Stakeholders Relationship Committee.

During the year, all recommendations made by the Committees were approved and accepted by the Board. A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report.

(e) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, an annual evaluation was conducted for all Board Members as well as for the working of the Board and its Committees. A structured questionnaire for evaluation of the Board and its various Committees and individual Directors was prepared and recommended to the Board by the Nomination & Remuneration Committee with a specific focus on performance and effective functioning of the Board. The Board evaluation was conducted through a questionnaire designed with qualitative parameters and feedback based on ratings.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their meeting held on 24th March 2025. The Directors expressed their satisfaction with the evaluation process.

11. Directors' Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31st March 2025 and confirm as under –

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with a proper explanation relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors had prepared the annual accounts on a going concern basis; and
- e) That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) That 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.

12. Corporate Social Responsibility

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee, the terms of reference and other details of which are provided in the Corporate Governance Report. The CSR Policy has been framed and posted on the website of the Company, www.dsl-india.com.

As required by Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Annual Report on CSR activities is annexed as 'Annexure – II' and forms integral part of this report.

13. Vigil Mechanism

Pursuant to Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has in place a Policy

for Vigil Mechanism for reporting of concerns of any wrongful conduct concerning the Company or its business or affairs.

The policy provides a framework for raising concerns by its employees and directors against any kind of malpractices, fraud, violation of the Company's policies or rules, and other matters on account of which the interest of the Company is affected or is likely to be affected. The policy provides that all protected disclosures can be addressed to the Vigil Officer or the Chairman, of the Audit Committee in certain cases.

Adequate safeguards are provided against the victimization of those who avail of the mechanism. Complaints received, if any, by Vigil Officer are investigated by the Vigil Officer and a report thereon is submitted to the Audit Committee.

It is affirmed that no personnel were denied access to the Vigil Officer and the Audit Committee, and no complaints were received during the Financial Year 2024-25.

The Policy on Vigil Mechanism is also posted on the Company's website www.dsl-india.com .
(weblink: <http://www.dsl-india.com/policies-code-of-conduct>)

14. Risk Management Policy

The Company's risk management framework, which is formalised in its Risk Management Policy, ensures periodic assessment, mitigation and monitoring of risk pertaining to its business. The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimisation procedures. The risk management procedures are reviewed by the Audit Committee and the Board of Directors every quarter.

15. Nomination and Remuneration Policy

The Board has on the recommendations of the Nomination and Remuneration Committee, adopted a policy for selection and appointment of Directors, KMP and Senior Management and their remuneration. The extract of the Company's Remuneration Policy is attached as 'Annexure-III' and forms part of this report of the Board of Directors. The web link of the said Policy on the Company's website is (<http://www.dsl-india.com/policies-code-of-conduct>)

16. Related Party Transactions

All contracts / arrangements / transactions with Related Parties during the Financial Year 2024-25 were on an arm's length pricing basis and were in the ordinary course of business and did not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the financial year which conflicted with the interest of the Company and hence, enclosing of Form AOC 2 is not required. Suitable disclosures as required by the Accounting Standard Ind AS – 24 have been made in the notes to the Financial Statements.

All related party transactions are placed before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for transactions which could be foreseen and are of a repetitive nature for a period of one year. All transactions entered into under the omnibus approval are placed before the Audit Committee every quarter.

The Policy on Related Party Transactions, as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company.

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchange.

17. Disclosures regarding Employees

- a) The Statement of Details of Remuneration as required under Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure – IV' and forms a part of this Board's Report.
- b) The information required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of this report, is given in a separate annexure to this Report.
- c) The said annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the Members at the Registered office of the Company, twenty-one days before the 43rd AGM and up to the date of the said AGM during business hours on working days.
- d) No employee, except Shri Yashwant Kumar Daga, Chairman and Managing Director, by himself or along with his relatives holds 2% or more of the equity shares of the Company.
- e) The Company has not received any complaint under 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, during the year. The Company is compliant with all the provisions relating to the constitution of an Internal Complaint Committee under the said Act and rules thereunder.

18. Public Deposits

During the year, the Company has neither accepted nor renewed any deposits from the public and as such, there are no outstanding deposits in terms of Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

19. Loans, Guarantees and Investments

The Company has not given loans, directly or indirectly, to any person or other body corporate or given a guarantee or provided any security in connection with a loan to any other body corporate or person. The Company has also not made any investments as per the provisions of Section 186 of the Companies Act, 2013.

20. Management Discussion and Analysis Report

A report for the year under review as required under Regulation 34 and as stipulated under Part B of Schedule V of Listing Regulations, is annexed herewith and forms part of this report.

21. Corporate Governance

A report on Corporate Governance as required under Regulation 34 and as stipulated in Part C of Schedule V of Listing Regulations is annexed herewith and forms part of this report. A Compliance Certificate issued by Statutory Auditors of the Company, regarding compliance with Corporate Governance, is also annexed therewith.

22. Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT- 7) of the Company is available on the website of the Company at the weblink <http://www.dsl-india.com/annual-return>.

23. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo.

As required by Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014, information with regard to Conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as 'Annexure – V' to form part of this report.

24. Significant and Material Orders Passed by the Regulators or Courts

There is no significant material orders passed by the regulators / courts which would impact the going concern status of the Company and its future operations.

25. Material Changes and Commitments

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year of the Company to which the financial statements are related and the date of this report.

26. Compliance with Secretarial Standards

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

27. Acknowledgement

We thank our customers, vendors, Bankers, stakeholders, business associates, Central and State Governments and district-level authorities for their continued splendid support. We are pleased to thank all employees and workmen for their dedication and excellence displayed in conducting the operations of the Company.

On behalf of the Board of Directors

Yashwant Kumar Daga
Chairman and Managing Director
(DIN - 00040632)

Place: Kolkata
Date: 22.05.2025

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

India's textile sector stands as one of the oldest and most pivotal industries in the national economy, with a rich heritage spanning several centuries. The industry is notably diverse, encompassing traditional hand-spun and hand-woven textiles at one end and sophisticated, capital-intensive mills at the other.

A fundamental strength of India's textile industry lies in its robust and integrated production base, covering a wide array of fibres and yarns. This includes natural fibres such as cotton, jute, silk, and wool, as well as synthetic and man-made fibres (MMFs) like polyester, viscose, nylon, and acrylic. India is among the few countries producing all types of MMFs, ensuring complete self-reliance across the textile value chain—from raw materials to finished garments.

The financial year 2024–25 marked a period of moderate growth and strategic transformation for India's textile industry, characterised by muted demand in export markets, policy-driven investments, and evolving global dynamics. On the domestic front, however, the market remained challenging. Supply continues to outpace demand, leading to persistent pricing pressure across key yarn categories. The surplus situation, combined with high raw material costs and subdued consumer sentiment in certain regions, affected overall realisations.

OPPORTUNITY AND THREATS

The financial year 2024–25 presented a mixed landscape for India's Man-Made Fibre (MMF) textile sector, characterised by both significant challenges and emerging opportunities.

Threats –

Indian MMF producers faced higher input costs, with polyester and viscose fibres priced higher than in competing nations like China and Vietnam. This disparity undermined the global competitiveness of Indian MMF products.

The sector grappled with outdated manufacturing technologies and a shortage of skilled labour, leading to inferior quality in polyester filament yarns compared to international standards. This limitation hindered the production of high-performance MMF fabrics.

Stringent import regulations, such as the Quality Control Order (QCO), restricted access to essential specialty yarns not produced domestically. Additionally, an inverted duty structure under the Goods and Services Tax (GST) and lower export incentives for MMF products compared to cotton textiles posed significant hurdles.

Opportunities-

The Indian government expanded the Production Linked Incentive (PLI) scheme to include small textile firms, aiming to boost MMF production and exports. As of June 2024, 64 proposals worth ₹19,800 crore were approved under this scheme.

The negotiations on India-UK Free Trade Agreement (FTA) to reduce tariffs and enhance the competitiveness of Indian MMF textiles in the UK market, potentially increasing export margins, were finalised on 6th May 2025.

There is a growing global demand for sustainable and eco-friendly MMF products. Innovations in MMF production, such as the development of microfibers and smart textiles, are opening new markets. The durability and versatility of MMF fibres make them suitable for various applications, including outdoor clothing and technical textiles.

India's decision to restrict textile imports from Bangladesh through land routes has benefited domestic cotton textile manufacturers and, to a limited extent MMF industry, potentially curbing the indirect influx of Chinese fabrics.

SEGMENTAL REVIEW AND ANALYSIS

Export demand witnessed a slight improvement over the previous year, primarily driven by renewed interest in specialised yarn segments, reflecting a gradual recovery in select international markets. This uptick is encouraging and aligns with the Company's focus on value-added products catering to niche segments. On the domestic front, however, the market remained challenging.

During the year, supply continued to outpace demand across key yarn categories, resulting in persistent pricing pressure. The surplus scenario, coupled with volatile raw material costs and muted consumer sentiment in select domestic and international markets, adversely impacted overall price realisations. The Company continues to monitor market trends closely and adapt its production and pricing strategies to mitigate the impact of these external pressures.

Investment in modernization and upgradation remains a cornerstone of the Company's long-term growth and operational strategy. The Company continues to focus on enhancing manufacturing efficiency, adopting clean energy solutions, and reducing operational costs through strategic infrastructure initiatives. During the year under review, the Company completed and commissioned a 4 MW solar power plant at its Guna unit. This initiative reflects the Company's commitment to sustainable operations and is expected to contribute significantly to energy efficiency and long-term cost savings. The solar plant will reduce dependency on conventional power sources and help lower the Company's carbon footprint in line with its ESG goals.

Looking ahead, the Company remains committed to making strategic investments in modernisation, ensuring operational resilience and long-term value creation for all stakeholders.

OUTLOOK

With strategic policy interventions, enhanced budgetary support, and a growing emphasis on sustainability and technological innovation, the Man-Made Fibre (MMF) sector in India is poised for robust growth in 2025–26. Government initiatives such as the expanded Production Linked Incentive (PLI) scheme, increased allocations under the National Technical Textiles Mission (NTTM), and targeted trade measures are expected to stimulate investment, improve product quality, and broaden export potential.

However, timely resolution of existing structural challenges—including high raw material costs, technological obsolescence, skill gaps, and fragmented industry operations—will be critical to fully leverage the emerging opportunities. Addressing labour-related bottlenecks through skill development initiatives, improving ease of doing business, and investing in automation and cost-efficient technologies will be critical for sustaining growth and enhancing India's global competitiveness in the textile sector.

RISKS AND CONCERNS

Despite the promising outlook for the MMF sector in India, several risks and structural challenges persist that could impact its long-term sustainability and global competitiveness.

High costs for key raw materials such as polyester and viscose are reducing price competitiveness in global markets. The current GST framework leads to an inverted duty structure where inputs are taxed at a higher rate than finished goods poses financial disadvantage and affects working capital efficiency. The lack of investment in modern technologies and R&D impairs the sector's ability to produce high-value and performance-based

textiles. Shortage of skilled workforce, particularly in areas of fiber engineering, textile design, and high-tech processing limits innovation and affects quality and productivity. The dominance of small and unorganized players in the MMF segment limits economies of scale, access to capital, and adoption of best practices.

While MMFs are increasingly viewed as sustainable alternatives, the industry must address concerns related to energy consumption, microplastic pollution, and recycling infrastructure. Non-compliance with emerging global sustainability norms could hinder export opportunities.

A significant share of India's raw materials and intermediate inputs is imported. Disruptions due to geopolitical tensions, logistics bottlenecks, or import restrictions (such as Quality Control Orders) can create supply-side vulnerabilities.

India risks further erosion of its competitive position in the global MMF market if critical structural challenges are not addressed in a timely manner. Overcoming these issues will require a collaborative effort between industry stakeholders and the government. Strategic interventions—such as increased investment in advanced technologies, focused skill development programs, improved infrastructure, and stronger sustainability practices—will be essential. Additionally, the formulation and implementation of favourable and stable policy frameworks will play a pivotal role in ensuring long-term growth, resilience, and global competitiveness of the Indian MMF industry.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has established a robust internal control system that is commensurate with the size, scale, and nature of its operations. These internal controls are designed to ensure the efficient and effective utilization of resources, safeguard the Company's assets against unauthorised use or losses, and ensure that all transactions are properly authorised, recorded, and reported in a timely and accurate manner.

The internal control framework ensures that financial and operational data is reliable and provides a sound basis for preparing financial statements and other reports, thereby maintaining accountability across the organization. The management periodically reviews and upgrades internal controls and processes to ensure the efficient conduct of business operations and compliance with applicable laws and regulations.

An independent Internal Audit is conducted quarterly by Chartered Accountants, who maintain objectivity and independence by directly reporting to the Audit Committee of the Board. The Audit Committee regularly reviews the Internal Audit Reports, monitors the effectiveness of the internal control systems, and ensures that necessary corrective actions are implemented promptly wherever required. This ongoing review and oversight mechanism helps in strengthening controls and improving governance practices across the organisation.

FINANCIAL PERFORMANCE

- a) The report of the Board of Directors may be referred to for financial performance.
- b) Details of significant changes (i.e. changes as compared to the immediately previous financial year) in key financial ratios -

Ratios	F.Y. 2024-25	F.Y. 2023-24	Change (%)
Debtors Turnover Ratio	16.43	16.41	0.12
Inventory Turnover Ratio	5.53	4.71	17.41
Interest Coverage Ratio	13.21	5.78	128.55

Current Ratio	1.54	1.53	0.65
Debt Equity Ratio	0.16	0.18	-11.11
Operating Profit Margin (%)	-1.95	1.27	-253.54
Net Profit Margin (%)	-2.67	0.44	-706.82
Return on Net Worth (%)	-4.53	0.55	-923.64

The variation in ratios is due to the net loss booked by the Company during the current year.

HUMAN RESOURCES

As on 31st March 2025, the Company had 3,009 employees on its rolls, compared to 3,127 employees as on 31st March 2024. The industrial relations remained cordial throughout the year, with a continued focus on employee engagement, well-being, and productivity.

The Company is committed to providing a favourable and inclusive work environment that encourages high performance, customer-centricity, and a strong sense of ownership and accountability. Emphasis is placed on fostering a culture of continuous learning, quality, and integrity, ensuring that employees are aligned with the Company's values and business goals.

CAUTIONARY STATEMENT

Statements in this Management Discussions and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable security laws or regulations. These statements are based on reasonable assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied. Factors that could make a difference to the Company's operations include market price, both domestic and overseas availability and cost of raw materials, changes in Government regulations and tax structure, economic conditions affecting demand/supplies and other factors over which the Company does not have any control. The Company takes no responsibility for any consequences of decisions made based on such statements and holds no obligation to update these in future.

Annexure – I'**Form No. 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,
Deepak Spinners Limited,
121 Industrial Area, Baddi,
The. Nalagarh, Distt Solan,
Himachal Pradesh.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DEEPAK SPINNERS 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 that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by DEEPAK SPINNERS LIMITED ("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 thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable to the company during the financial year under review.

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
 - f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923 etc. and rules framed thereunder.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) being listed on BSE Limited; Also indent these under ‘I have’

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

Based on our examination and the information received and records maintained, I further report that:

1. As at the end of the audit period, the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year were carried out in compliance with the applicable Act and Regulations *except that the vacancy in the office of woman director was not filled within the time period as per the provisions of Regulation 17 (1E) read with Regulation 17 (1) of the LODR Regulations and Section 149 (1)(a) of the Companies Act, 2013 and rules made thereunder.*
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decisions are carried through majority, while the dissenting members’ views, if any, are captured and recorded as part of the minutes.

4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. 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.
2. Based on the examination of the relevant documents and records on test check basis the company has Complied with the following laws specifically applicable to the company:
 - a) The Indian Electricity Act, 2003 and Indian Electricity Rules, 2005.
 - b) The Boilers Act, 1923

I further report that during the audit period:

1. *There was a delay of 2 (two) days in submitting the quarterly statement of shareholders complaints and grievances with BSE Limited as per Regulation 13 (3) of LODR Regulations for the quarter ended September 30, 2024. The fine levied by BSE in this regard has been paid.*
2. *There was delay in appointment of a woman director as per the provisions of Regulation 17 (1E) read with Regulation 17 (1) of the LODR Regulations and Section 149 (1)(a) of the Companies Act, 2013 and rules made thereunder.*

Further, due to consecutive resignation and retirement of the independent directors, there were consequent delays in reconstitution of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee leading to violations of Regulation 18 (1), Regulation 19(1) & (2) and Regulation 20(2) & (2A) respectively of the LODR regulations. The fine levied by BSE in this regard has been paid.

I further report that, during the audit period under review there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity
- (ii) Merger / amalgamation / reconstruction etc.
- (iii) Major decisions under Section 180 of the Companies Act, 2013.
- (iv) Redemption / Buy-back of Securities
- (v) Foreign technical collaborations.

For **A. Arora & Co.**
Company Secretaries

AJAY K. ARORA
(Proprietor)

FCS No. 2191

C P No.: 993

Peer review Cert No. 2120/2022

UDIN: F002191G000406727

Place: Chandigarh

Date: 22.05.2025

Annexure – II'

Annual Report on Corporate Social Responsibility (CSR)Activities

1. A Brief Outline of the Company's CSR Policy –

Pursuant to Section 135 of the Companies Act, 2013 and the rules framed there under, the Company has a Corporate Social Responsibility (CSR) Policy. The CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon and focuses on addressing critical social, environmental and economic needs of the weaker sections of society. While the focus of CSR efforts will be in the areas around Company operations, the Company also undertakes projects where societal needs are high or in special situations.

2. The Composition of the CSR Committee:

Sr. No.	Name of the Member	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Yashwant Kumar Daga	Chairman / Executive Non-Independent Director	2	2
2.	Shri Anand Prasad Agarwalla (till 05.09.2024)	Member / Non-Executive Independent Director	2	1
3.	Shri Vivek Chiraniya (till 31.08.2024)	Member / Non-Executive Independent Director	2	1
4.	Shri Shounak Mitra (with effect from 31.12.2024)	Member / Non-Executive Independent Director	2	1
5.	Shri Satya Prakash Sarda (with effect from 31.12.2024)	Member / Non-Executive Independent Director	2	1

3. CSR Policy, Composition of CSR committee and CSR projects approved by the Board of Directors can be perused on the following website –

CSR Policy – <http://www.dsl-india.com/policies-code-of-conduct>

Composition of CSR Committee –

<http://www.dsl-india.com/corporate-social-responsibility>

CSR Projects -

<http://www.dsl-india.com/corporate-social-responsibility>

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

5.

a)	Average net profit of the Company as per sub-section (5) of Section 135	Not applicable as none of the thresholds as per Section 135 of the Companies Act, 2013 were applicable.
b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	Not Applicable
c)	Surplus arising out of the CSR Projects or programmed or activities of previous financial years.	Nil
d)	Amount required to be set off for financial year, if any	Rs. 3.86 Lakhs
e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	Nil

6.

a)	Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)	Rs. 70.92 Lakhs
b)	Amount spent in Administrative Overheads	Nil
c)	Amount spent on Impact Assessment, if applicable	Not Applicable
d)	Total amount spent or unspent for the Financial Year	Rs. 70.92 Lakhs

e) CSR amount spent or unspent for the Financial Year		
Total Amount spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)	
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135
70.92	Not Applicable	

f) Excess amount for set off, if any -		
Sr. No.	Particular	Amount (Rs. in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	0.00
(ii)	Total amount spent for the Financial Year	70.92
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	70.92
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii) – (iv)]	74.78*

*Includes Rs. 3.86 Lakhs required to be set off during the current financial year.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years -

1 Sl. No.	2 Preceding Financial Year(s)	3 Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (Rs. In Lakhs)	4 Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (Rs. In Lakhs)	5 Amount spent in the Financial Year (Rs. In Lakhs)	6 Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		7 Amount remaining to be spent in succeeding Financial Years (Rs. In Lakhs)	8 Deficiency, if any
					Amount (Rs in Lakhs)	Date of transfer		
1.	FY – 2021-22	28.58	28.58	28.58	Not Applicable			
2.	FY- 2022-23	Nil	Nil	Nil	Not Applicable			
3.	FY 2023-24	Nil	Nil	Nil				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No.**
9. Specify reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135 of the Act - Not Applicable.

Yashwant Kumar Daga
 (Chairman and Managing Director)
 And (Chairman CSR Committee)
 (DIN 00040632)

Satya Prakash Sarma
 (Member CSR Committee)
 (DIN: 01089614)

Date: 22.05.2025

Place: Kolkata

‘Annexure- III’**EXTRACT FROM NOMINATION AND REMUNERATION POLICY****Objective and Purpose of the Policy:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions, and to determine their remuneration.
- To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the textile industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward, linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Applicability:

The Policy is applicable to Directors (Executive and Non-Executive), Key Managerial Personnel (KMP) and Senior Management Personnel.

Senior Management Personnel’ means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit/division, functional head or President, Sr. Vice President or Vice President of any unit/division or department of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Matters to be Dealt with, Perused and Recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Carry out the evaluation of performance of Directors, KMP and Senior Management Personnel and recommend to the Board, their appointment and removal.
- Recommend to the Board, a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.
- Recommend to the Board, all remuneration in whatever form, payable to senior management.

Guiding Principles for Appointment and Removal of Director, KMP and Senior Management

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.
- Remuneration packages may be composed of fixed and incentive pay depending on short- and long-term performance objectives appropriate to the working of the Company.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Remuneration of the Whole-Time Directors, Directors, KMP and Senior Management Personnel

1. The remuneration / compensation / commission etc. to the Whole-time Directors and Directors will be determined by the Committee. It shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, the Companies Act, 2013, the rules made there under and the Listing Agreement with Stock Exchanges as amended from time to time. The Committee shall recommend the remuneration / compensation / commission etc. to be paid to the Whole-time Director and Directors to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. Increments to the existing remuneration / compensation structure of Whole time Director and Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.
3. The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.
5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the textile industry and performance of such KMP and Senior Management Personnel.
6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
7. An Independent Director shall not be entitled to any stock option of the Company.

‘Annexure -IV’

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(i) The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year 2024-25

(ii)

Sr. No.	Name of Director	Remuneration of Directors for financial year 2024-25 (Rs. In Lakhs)	Ratio of remuneration of each Director to median remuneration of employees
EXECUTIVE DIRECTORS			
1.	Shri Pradip Kumar Daga (till 15.04.2024)	6.78	4.40
2.	Shri Yashwant Kumar Daga,	Nil	Nil
NON-EXECUTIVE DIRECTORS			
3.	Shri Shantanu Daga	1.76	1.14
4.	Smt. Asha Devi Daga (till 30.08.2024)	0.22	0.14
5.	Shri Pradeep Kumar Drolia (till 30.09.2024)	1.29	0.83
6..	Shri Anand Prasad Agarwalla (till 05.09.2024)	1.19	0.77
7.	Shri Vivek Chiraniya (till 31.08.2024)	1.07	0.69
8.	Shri Sharad Agarwal (till 15.11.2024)	0.88	0.56
9.	Shri Sanjiv Banerji (w.e.f. 13.11.2024)	1.60	1.04
10.	Shri Shounak Mitra (w.e.f. 13.11.2024)	1.29	0.83
11.	Shri Satya Prakash Sarda (w.e.f. 30.12.2024)	1.04	0.67
12.	Shri Hussan Lal (w.e.f. 06.01.2025)	0.44	0.28
13.	Smt. Sonu Jain (w.e.f. 06.01.2025)	0.44	0.28

Directors - The percentage increase in remuneration of Shri Shantanu Daga cannot be ascertained, as during part of the previous year 2023-24, he also drew remuneration in the capacity of a Whole Time Director. The percentage increase in case of other Directors also is not ascertainable as none of them held office during the entire year.

Key Managerial Personnel

Shri Yashwant Kumar Daga, Chairman and Managing Director does not receive any remuneration from the Company.

The percentage increase in remuneration of Smt. Puneeta Arora, Company Secretary, was about 12.06% over the previous year. Shri P. C. Sharma, resigned from the post of Chief Financial Officer with effect from 31.01.2025. Shri Gajendra Singh Rathore was appointed as Chief Financial Officer with effect from 01.02.2025. The percentage increase in the remuneration of the Chief Financial Officers is not ascertainable, as neither of them held the position for the entire financial year.

(iii) There was an increase of 9.43% in the median remuneration of employees in the financial year 2024-25.

- (iv) There were 3009 permanent employees on the roll of the Company as on 31.03. 2025.
- (v) The average salary increase of employees other than Key Managerial Personnel in the last financial year, i.e. 2024-25 was about 9.22%. The increase in remuneration was in line with the industry benchmark and cost of living index.

The average increase in the remuneration of Key Managerial Personnel is not ascertainable, as Chairman and Managing Director does not draw any remuneration and the post of Chief Financial Officer was not held by a single person during the year.

There are, no exceptional circumstances for an increase in managerial remuneration.

- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

‘Annexure -V’**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO,
PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE
COMPANIES (ACCOUNTS) RULES, 2014.**

1. CONSERVATION OF ENERGY**a) Steps taken or impact on conservation of energy –****i) Baddi Works**

1. By halting the condensers on Blender No. 7 and No. 8 and deploying ventilators instead, we achieved an annual energy saving of 11,880 kWh. This measure not only conserved energy but also contributed to improved blending efficiency.
2. We replaced the older Savio Autoconer with the Schlafhorst 338 Autoconer, which resulted in significant energy savings—specifically, a reduction of 20 Cubic Feet per Minute (CFM) in compressed air usage, translating to approximately 31,104 kWh saved annually. The Schlafhorst 338 Autoconer operates with a power consumption ranging between 2 to 5 kW per machine, is less from the other autoconer brands depending on the specific configuration and operational parameters. This efficiency contributes to the substantial energy savings.
3. We have arrested air leakage regularly and replaced the defective splicer valve on the autoconer machine and PU Pipes, Solenoid Valves and air filter etc. in the Blow Room Carding, Ring Frame Machine which was consuming highly compressed air.
4. We have installed seven Hi-Tech Gold 750A Two-for-One (TFO) Twisting Machines, replacing the older Veejay Lakshmi TFO models, has led to a significant energy saving of approximately 296,352 kWh annually, marking a 45% reduction in energy consumption.
5. Electrical Energy saved after efficiently operating the Humidification Plant by synchronising the speed of fan and pumps as per requirement during the winter season every year, which led to total 9,23,616 Units of annual savings.
6. Replacement of 195 Nos. LED Tube light (18W) in place of Conventional Tube light (36W) for Unit No. 5 to save the Electrical Energy of 30326 Units per year and completed the work of LED Tube lights in Baddi Campus.

ii) Guna Works

1. We have installed and commissioned 4 mw direct current solar plant in our premises which is generating approx. 5 lakh units per month.
2. Similar to the previous year, we efficiently operated the humidification plant as per requirements and maintained its energy consumption at the same level. This resulted in an approximate annual saving of 6 lakh units.
3. In our G1 unit, we replaced 2 condensers with 2 ventilator motors. The original condensers were equipped with 6.6 kW motors, while the new ventilators use 4 kW motors. This replacement has resulted in an approximate annual energy saving of 16,848 kWh.

4. We achieved a saving of 55 CFM by identifying and fixing air leakages in the Autoconer area (in-house). This has resulted in an estimated annual energy saving of approximately 95,050 kWh.
5. A total of 77 CFM was saved by arresting and rectifying compressed air leakages in G0, G1, and G2 units through an outsourced agency, M/s Ayush Agency. This initiative has resulted in an estimated annual energy saving of approximately 129,600 kWh.

b) Steps taken by the Company for utilizing alternate sources of energy-

1. Baddi Works

1. Thermal insulation work was carried out on the steam pipelines to reduce heat loss and improve energy efficiency by conserving heat energy.
2. Acrylic sunlight sheets have been installed in the godowns to utilize natural daylight as an alternative source of lighting during daytime, thereby reducing dependence on electrical lighting and contributing to energy savings.

2. Guna Works

1. We have installed a 4 MW direct current (DC) solar power plant within our premises, which is generating approximately 5 lakh units of electricity per month.
2. An underground tank with a capacity of 200 kiloliters per day has been constructed at our 4 MW solar plant site for rainwater harvesting for the G1 and G2 units. The harvested rainwater will be used for garden irrigation and to help recharge the groundwater table.

c) The Capital investment on energy conservation equipment-

- The Company is committed to adopting new technologies from time to time to enhance plant efficiency and reduce operational costs. As part of this initiative, the Company has made a capital investment of ₹13.40 crore for the installation of a 4 MW DC solar power plant.

2. Technology Absorption

a) Efforts made towards technology absorption – Nil

b) Benefits derived like product improvement, cost reduction, product development or import substitution –Not Applicable

c) In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

i)	The details of the technology imported	Nil	1 no. Autoconer Machines from Savio Proxima-L, Italy	4 no. Autoconer Machines from Saurer Schlafhorst Germany	2 no. Autoconer Machines from Saurer Schlafhorst Germany.
ii)	The year of import	2024-2025	2023-2024	2022-23	2021-22
iii)	Whether the technology has been fully absorbed	N.A.	Yes	Yes	Yes
iv)	If not fully absorbed, areas where absorption has not taken place and the reasons thereof	N.A.	N.A.	N.A.	N.A.

d) The expenditure incurred on Research and Development (R & D) = Nil

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	(Rs. In Lakhs)
Foreign Exchange earned (inflow)	4649.18
Foreign Exchange used (outflow)	5.57

THE REPORT ON CORPORATE GOVERNANCE

A Report pursuant to Regulation 34(3) read with of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') in compliance with the Corporate Governance requirements is set out below.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The goal of our Corporate Governance Practices is to ensure fairness to all stakeholders. We are committed to adhere to implementing the best Corporate Governance practices to bring about transparency and maximize shareholders' value. The Company's core philosophy on the code of Corporate Governance is to ensure fair and transparent business practices, accountability for performance and compliance with applicable statutes.

2. BOARD OF DIRECTORS

a) Composition of Board of Directors -

As on 31st March 2025, in compliance with the Listing Regulations, the Company's Board of Directors headed by Executive Chairman, Shri Yashwant Kumar Daga, comprised 6 other Directors, out of which 5 are Independent Non-executive Directors. In compliance with Listing Regulations, during the year 50% of the total number of Directors have been Independent Directors.

The information about composition and attendance of the Board of Directors in Board Meetings and the last Annual General Meeting, outside Directorships and other Memberships of Board Committees as on 31st March 2025 as applicable is given hereunder –

Director	DIN	Category	No. of Board Meetings attended	Attendance at the last AGM on 30.08.2024	*Number of Directorships in other Indian Public Companies	**Committee(s) positions in other Companies		Names of Other Listed Companies where Directorship held and kind of Directorship
						As Member	As Chairman	
Shri Pradip Kumar Daga (Chairman and Managing Director) (till 15.04.2024)	00040692	Promoter / Executive	0	No	1	1	0	Longview Tea Co. Ltd. (Promoter/Non-Executive)
Shri Yashwant Kumar Daga (Chairman and Managing Director) (w.e.f. 16.04.2024)	00040632	Promoter / Executive	9	Yes	2	4	0	1. Deepak Industries Limited (Chairman cum Managing Director) 2. Magadh Sugar & Energy Limited (Non-Executive / Independent Director)

Shri Shantanu Daga	08757724	Promoter/ Non-Executive	8	No	--	--	---	---
Shri Pradeep Kumar Drolia (Till 30.09.2024)	00291966	Non-Executive Independent	3	Yes	1	--	---	1. Indo Eco (India) Limited (Non-Executive /Independent Director)
Shri Anand Prasad Agarwalla (Till 05.09.2024)	00312652	Non-Executive Independent	2	Yes	1	1	1	Deepak Industries Limited (Non-Executive /Independent Director)
Smt. Asha Devi Daga (Till 30.08.2024)	00048885	Promoter/ Non-Executive	1	No	--	--	--	--
Shri Vivek Chiraniya (Till 31.08.2024)	00166690	Non-Executive Independent	2	Yes	--	--	---	---
Shri Sharad Agarwal (Till 15.11.2024)	06490590	Non-Executive Independent	4	No	--	--	---	---
Shri Sanjiv Banerji (w.e.f. 13.11.2024)	07575727	Non-Executive Independent	5	Not Applicable	--	--	---	---
Shri Shounak Mitra (w.e.f. 13.11.2024)	07762047	Non-Executive Independent	3	Not Applicable	2	3	--	1. Deepak Industries Limited 2. Capitalnumbers Infotech Limited
Shri Satya Prakash Sarda (w.e.f. 30.12.2024)	01089614	Non-Executive Independent	3	Not Applicable	1	--	1	Mangalam Engineering Projects Limited
Shri Hussan Lal (w.e.f. 06.01.2025)	02286225	Non-Executive Independent	2	Not Applicable	--	--	---	---
Smt. Sonu Jain (w.e.f. 06.01.2025)	07267279	Non-Executive Independent	2	Not Applicable	2	1	2	1. Ashika Credit Capital Limited 2. Mangalam Engineering Project Limited

- Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

** Committee positions only of the Audit Committee and Stakeholders Relationship Committee have been considered.

None of the Directors of the Company serves as Director in more than seven listed companies and none of the Independent Directors is serving as Whole Time Director in any listed Company.

All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. Membership of the Directors in various committees is within the permissible limits of the Listing Regulations. None of the Directors of the Company was a member of more than ten Board level Committees, or a Chairperson of more than five such Committees across all listed companies, in which he/she was a Director. Further, the Chairman and Managing Director is serving as Independent Director in only one listed company.

All Independent Directors are free from any business or other relationship that could materially influence their independent judgment. The Company has received requisite declarations from all the Independent Directors.

All the Independent Directors are below the age of seventy-five years. All the Independent Directors have been issued letters of appointment as per Schedule IV to the Companies Act, 2013. As required under Regulation 46 of the Listing Regulations, the terms and conditions of their appointment have been disclosed on the website of the Company. ([weblink- http://www.dsl-india.com/letter-of-appointment-of-independent-directors](http://www.dsl-india.com/letter-of-appointment-of-independent-directors))

b) Familiarisation Programmes for Independent Directors

The Company has a Familiarisation Programme, for Independent Directors about their roles, rights, responsibilities in the Company, about the Company, its product, the industry, legal environment and business model of the Company, etc. In addition, the Independent Directors are briefed on the regulatory changes and their specific responsibilities and duties that may arise from time to time. The details of the Familiarisation Programmers are available on the website of the Company ([weblink: http://www.dsl-india.com/familiarisation-programme](http://www.dsl-india.com/familiarisation-programme))

c) Relationships of Directors inter se as on 31st March 2025

i) Shri Shantanu Daga, Non-Executive Director is son of Shri Yashwant Kumar Daga, Executive Director.

d) Shareholdings of Non-Executive Directors in the Company as on 31st March 2025: -

Non-Executive Directors	No of ordinary shares @Rs.10/-
Shri Shantanu Daga	29,615

The Company does not have any Stock Option Scheme.

e) Board Meetings held during the year

During the financial year ended 31st March 2025, six meetings of the Board of Directors were held on –

(i) 29th May 2024, (ii) 13th August 2024, (iii) 30th September 2024, (iv) 13th November 2024, (v) 14th November 2024, (vi) 30th December 2024, (vii) 6th January 2025, (viii) 29th January 2025 and (ix) 11th March 2025.

The maximum gap between any two consecutive Board Meetings was less than 120 days. A requisite quorum was present for all the Board meetings. The dates for the Board Meetings are decided well in advance and communicated to the Directors. The meetings and agenda items taken up during the

meetings complied with the requirements of the Companies Act, 2013 (Act) and Listing Regulations read with various circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

The Directors participated in the meetings of the Board and Committees held during the year through Video Conferencing. The Board periodically reviews all the relevant information, which is required to be placed before it according to the Companies Act 2013, rules thereunder, Listing Regulations and other applicable SEBI regulations and in particular, reviews the strategy, annual business plan, business performance of the Company, capital expenditure budget and risk management, safety and environment matters. Among other things, the Board also reviews the Compliance Report of all laws applicable to the Company, internal financial controls and financial reporting systems, adoption of financial results, minutes of the meetings of the Committees of the Board, etc. Steps are taken by the Company to rectify instances of non-compliance with any law, if any.

In addition to the information required to be made available to the Board as prescribed under Part A of Schedule II of Regulation 17(7) of the Listing Regulations, the Directors are also kept informed of the major events and approvals obtained, if necessary.

Recommendations of the Committees are placed before the Board for necessary approval and noting.

f) Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel of the Company, which is available on the Company's website. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The declaration by Shri Yashwant Kumar Daga, Chairman and Managing Director of the Company in this regard is given as '**Annexure A**' to this report

g) Independent Directors' Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on 24th March 2025 through Video conferencing without the attendance of non-independent Directors and members of the management. All Independent Directors attended the said meetings, and Shri Sanjiv Banerji chaired the meeting.

h) Skills / expertise /competencies of the Board

The core skills / expertise / competencies as identified by the Board of Directors as required in the context of the Company's business and sector for it to function effectively and those actually available with the Board of Directors are given below -

- 1. Leadership:** Effective management of business operations, ability to guide on complex business decisions, anticipate changes, setting priorities, aligning resources towards achieving goals and protecting and enhancing stakeholders' value.
- 2. Governance:** Ensuring adherence to the Corporate Governance Principles, protecting and enhancing stakeholders' value.
- 3. Strategy planning:** Good business instincts and acumen, ability to get to the crux of the issue, ability to provide guidance and active participation in complex decision making, set priorities and focus energy and resources towards achieving goals.

4. **Financial Management:** In depth understanding of financial statements, financial controls, proficiency in financial management and reporting process, expertise in dealing with complex financial transactions.
5. **Legal Expertise:** Having good legal knowledge and expertise in corporate law matters and other regulatory aspects.
6. **Technical acumen:** Sound technical acumen, ability to anticipate technological trends, create advanced business models.
7. **Risk Management:** In depth knowledge and expertise of risk management, risk framework, adequacy and efficiency of control, mitigation of risks, etc. in respect of business of the Company.
8. **Sales and Marketing:** Experience in sales and marketing, provide guidance in developing strategies for increasing sales, enhancing brand value and customer satisfaction, etc.
9. **Human Resource Development:** Having knowledge and expertise in the areas of Human Resource Development, benchmarking with the best human resource practices adopted in the industry, ensuring safety, wellbeing of employees etc.

As on 31.03.2025, Directors who possess aforesaid core skills / expertise / competence is given as under: -

Name of Directors	Leadership	Governance	Strategy Planning	Financial Management	Legal Expertise	Technical Acumen	Risk Management	Sale and Marketing	Human Resource Development
Sh. Yashwant Kumar Daga	√	√	√	√		√	√	√	√
Sh. Shantanu Daga	√	√	√	√		√	√	√	√
Sh. Pradeep Kumar Drolia (till 30.09.2024)	√	√	√	√	√		√	√	√
Sh. Anand Prasad Agarwalla (till 05.09.2024)	√	√	√	√	√		√		
Smt Asha Devi Daga (till 30.08.2024)	√	√	√						√
Sh. Vivek Chiraniya (till 31.08.2024)	√	√	√	√	√		√	√	√
Sh. Sharad Agarwal (till 15.11.2024)	√	√	√	√	√		√	√	√

Name of Directors	Leadership	Governance	Strategy Planning	Financial Management	Legal Expertise	Technical Acumen	Risk Management	Sale and Marketing	Human Resource Development
Sh. Sanjiv Banerji (w.e.f. 13.11.2024)	√	√	√	√			√		√
Sh. Shounak Mitra (w.e.f. 13.11.2024)	√	√	√		√		√		√
Sh. S. P. Sarda (w.e.f. 30.12.2024)	√	√	√	√	√		√	√	√
Sh. Hussan Lal (w.e.f. 06.01.2025)	√	√	√			√	√	√	√
Smt. Sonu Jain (w.e.f. 06.01.2025)	√	√	√	√	√		√		√

i) Confirmation from the Board of Directors in context to Independent Directors

The following Independent Directors resigned from the directorship of the Company during the year.

- (i) Shri Vivek Chiraniya (DIN – 00166690), Non-Executive Independent Director resigned from his directorship on 31st August 2024. He was unable to continue as the Independent Director of the Company due to other important professional commitments, and
- (ii) Shri Anand Prasad Agarwalla (DIN – 00312652), Non-Executive Independent Director resigned from his directorship on 5th September 2024. He was unable to continue as an Independent Director due to some personal reasons.
- (iii) Shri Sharad Agarwal (DIN – 06490590), Non-Executive Independent Director resigned from his directorship on 15th November 2024. He resigned due to reason of paucity of time and other professional commitments.

The aforesaid directors, who have resigned have confirmed that there are no other material reasons other than those provided by them.

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the disclosures received from all the independent directors and in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management.

Further, the Independent Directors of the company have their names included in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Requisite disclosures have been received from the Independent Directors in this regard.

3. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of the Listing Regulations as well as Section 177 of the Companies Act, 2013.

The powers of Audit Committee include investigating into any activity within its terms of reference as specified by Board and seeking information from any employee, obtaining professional advice from external sources, securing attendance of outsiders with relevant expertise, if required and having full access to information contained in the records of the Company.

The role of Audit Committee includes –

- oversight of Company’s financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors;
- reviewing with the management quarterly results and annual financial statements before submission to the Board for approval;
- approval or any subsequent modification of any transactions of the Company with related parties;
- review and monitor the auditor’s independence and performance and effectiveness of the audit process;
- evaluation of internal financial controls and risk management system; scrutiny of inter-corporate loans and investments, if any,
- reviewing of functioning of the Vigil Mechanism and
- ensuring compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Further, under Regulation 18(2) (c) of the Listing Regulations, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted to it by the Board of Directors from time to time.

During the year, Committee met four times, as on –

- (i) 29th May 2024, (ii) 13th August 2024, (iii) 14th November 2024, and (iv) 29th January 2025.

The maximum gap between any two consecutive meetings was less than 120 days. The Composition of the Audit Committee during the financial year ended on 31st March 2025 and the details of Members’ participation at the meetings of the Committee are as under: -

Name of the Member	Status	Category	No. of Meetings attended
Shri Pradeep Kumar Drolia (till 30.09.2024)	Chairperson	Non-Executive Independent	2
Shri Yashwant Kumar Daga	Member	Executive Non-Independent	4
Shri Anand Prasad Agarwalla (till 05.09.2024)	Member	Non-Executive Independent	2
Shri Vivek Chiraniya (till 31.08.2024)	Member	Non-Executive Independent	2
Shri Sanjiv Banerji (w.e.f. 13.11.2024)	Chairperson	Non-Executive Independent	2
Shri Shounak Mitra (w.e.f. 13.11.2024)	Member	Non-Executive Independent	2

Smt. Puneeta Arora, Company Secretary is Secretary to the Committee. The necessary quorum was present at the meetings. Internal Auditors, Cost Auditors, and Statutory Auditors are invited to attend the Meeting to discuss issues and queries at the Committee meetings. Chief Financial Officer and other Representatives from various divisions of the Company are also invited, if required to address concerns raised by the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee cover the matters specified under Regulation 19 of the Listing Regulations as well as Section 178 of the Companies Act, 2013. The role includes –

- Formulation of criteria for determining qualifications, positive attributes and independence of a director;
- Recommending to the Board a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of their appointment and removal and noting their cessation.
- Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Shri Shounak Mitra is Chairperson of the Nomination and Remuneration Committee. Necessary quorum was present for the meetings of the Committee.

During the year, the Committee met four times on –

- (i) 28th May 2024, (ii) 9th August 2024, (iii) 6th January 2025, and (iv) 28th January 2025

The Composition of the Nomination and Remuneration Committee during the financial year ended on 31st March 2025 and the details of Members' participation at the meetings of the Committee are as under: -

Name of the Member	Status	Category	No. of Meetings attended
Shri Anand Prasad Agarwalla (till 05.09.2024)	Chairperson	Non-Executive Independent	2
Shri Vivek Chiraniya (till 31.08.2024)	Member	Non-Executive Independent	2
Shri Pradeep Kumar Drolia (till 30.09.2024)	Member	Non-Executive Independent	2
Shri Shounak Mitra (w.e.f. 30.12.2024)	Chairperson	Non-Executive Independent	2
Shri Sanjiv Banerji (w.e.f. 30.12.2024)	Member	Non-Executive Independent	2
Shri S. P. Sarda (w.e.f. 30.12.2024)	Member	Non-Executive Independent	2

Particulars of Key Managerial Personnel and Senior Management Personnel and appointments / role changes during the financial year 2024-25-

Sr. No.	Name	Designation	Change since the previous financial year (Yes/No)	Nature of change and effective date
KEY MANAGERIAL PERSONNEL				
1.	Shri Pradip Kumar Daga	Chairman Emeritus	Yes	End of tenure as Chairman and Managing Director w.e.f. 16.04.2024
2.	Shri Yashwant Kumar Daga	Chairman and Managing Director	Yes	Redesignated from Vice Chairman and Joint Managing Director w.e.f. 16.04.2024
3.	Smt. Puneeta Arora	Company Secretary	No	--
4.	Shri Punam Chand Sharma	Chief Financial Officer	Yes	Resigned with effect from 1 st February 2025
5.	Shri Gajendra Singh Rathore	Chief Financial Officer	Yes	Transitioned from the post of Deputy General Manager (Accounts) and appointed as Chief Financial Officer with effect from 1 st February 2025.
SENIOR MANAGEMENT PERSONNEL				
1.	Shri Raja Ram Kankani	President	No	--
2.	Shri Ram Avatar Sharma	Vice President (Purchase)	Yes	Retired with effect from 1 st February 2025
3.	Shri M. S. Shekhawat	Sr. Vice President (Marketing)	Yes	Redesignated from the earlier designation of Vice President (Sales) w.e.f. 13.08.2024
4.	Shri Sudesh Tiwari	Executive President	Yes	Redesignated from the earlier designation of Sr. Executive Vice President w.e.f. 13.08.2024.
5.	Shri Sham Sunder Saxena	Sr. Vice President (Personnel & Administration)	Yes	Redesignated from the earlier designation of Vice President (Personnel & Administration) w.e.f. 13.08.2024.
6.	Shri Matru Prasad Satpathy	Executive President	Yes	Redesignated from the earlier designation of Sr. Executive Vice President w.e.f. 13.08.2024.
7.	Shri Yogendra Kumar Singh	Vice President (Personnel & Administration)	Yes	Redesignated from the earlier designation of Assistant Vice President (Personnel & Administration) w.e.f. 13.08.2024.
8.	Shri S. K. Thakur	Vice President (Engineering)	No	--

Particulars of remuneration paid/ payable to Directors during the financial year 2024-25: -

Name of the Director	Salary	Perquisites/ LTA	Company's Contribution to Provident Fund	Commission (for FY 2024-25 payable in FY 2025-26) **	Sitting fees paid during the year*	Leave encashment and gratuity	Total (Rs.)
Sh. P.K.Daga (Chairman and Managing Director) (till 15.04.2024)	6,05,000		72,600	--	--	--	6,77,600
Sh.Yashwant Kumar Daga (Chairman and Managing Director) (w.e.f. 16.04.2024)	--	--	--	--	--	--	--
Sh. Shantanu Daga	--	--	--	--	1,76,000	--	1,76,000
Sh.Pradeep Kumar Drolia (till 30.09.2024)	--	--	--	--	1,28,500	--	1,28,500
Sh. Anand Prasad Agarwalla (till 05.09.2024)	--	--	--	--	1,19,000	--	1,19,000
Smt. Asha Devi Daga (till 30.08.2024)	--	--	--	--	22,000	--	22,000
Sh. Vivek Chiraniya (till 31.08.2024)	--	--	--	--	1,06,500	--	1,06,500
Sh. Sharad Agarwal (till 15.11.2024)	--	--	--	--	88,000	--	88,000
Sh. Sanjiv Banerji (w.e.f. 13.11.2024)	--	--	--	--	1,60,000	--	1,60,000
Sh. Shounak Mitra (w.e.f. 13.11.2024)	--	--	--	--	1,28,500	--	1,28,500
Sh. Satya Prakash Sarda (w.e.f. 30.12.2024)	--	--	--	--	1,03,500	--	1,03,500
Sh. Hussan Lal (w.e.f. 06.01.2025)	--	--	--	--	44,000	--	44,000
Smt. Sonu Jain (w.e.f. 06.01.2025)	--	--	--	--	44,000	--	44,000

* Sitting fees for attending meetings of the Board and /or Committee thereof. The Company paid sitting fees of Rs. 22,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and Rs. 12,500/- per meeting for attending the meetings of the Committees of the Board.

Shareholders had approved in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board or Committees thereof, payment of Commission to Non-Executive Directors up to 1% of Net Profits in the Annual General Meeting held on 12th September 2019. However, payment of commission for the year 2024-25 has not been approved by the Board of Directors.

The Company does not have any stock option scheme.

None of the Non-Executive Directors has any material financial interest in the Company apart from payment of sitting fees to them for attending the Board and Committee meetings and commission as approved by the members and Board.

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending the Board and Committee meetings and commission as approved by members and Board.

Performance Evaluation Criteria

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board, its Committees and the Directors was undertaken which included the evaluation of the Board as a whole, Board Committees and individual Directors. The criteria for performance evaluation covers the areas relevant to the functioning of the Board and Board Committees such as its composition and operations, Board as whole and group dynamics, effectiveness, performance, etc. The performance of individual Directors was evaluated on the parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness.

The Nomination and Remuneration Committee lays down the framework for performance evaluation of Independent Directors. The criteria used for performance evaluation of the Independent Directors covers the areas relevant to their functioning as Independent Directors and is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them.

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Director subject to evaluation, had not participated.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations and include –

- a) Resolving of grievances of shareholders of the Company, including related to transmission/transposition of shares, non-receipt of annual report, general meetings, non-receipt of declared dividends, issue of new/duplicate shares certificates, recording of dematerialization/rematerialization of shares and related matters.
- b) Review of measures taken for the effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar and Transfer Agents.
- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

Smt. Puneeta Arora, Company Secretary is designated as the Compliance Officer by the Board.

During the financial year ended 31st March 2025, 2 complaints were received and were satisfactorily disposed of. As on 31.03.2025, the pendency of complaints was Nil.

During the year, the Committee met once as on 28th May 2024. The Composition of the Stakeholders Relationship Committee as at 31st March 2025 and the details of Members' participation at the meetings of the Committee are as under: -

Name of the Member	Status	Category	No. of Meetings attended
Shri Anand Prasad Agarwalla (till 05.09.2024)	Chairperson	Non-Executive Independent	1
Shri Yashwant Kumar Daga	Member	Executive Non-Independent	1
Shri Pradeep Kumar Drolia (till 30.09.2024)	Member	Non-Executive Independent	1

Necessary quorum was present for the meeting of the Committee.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee oversees Corporate Social Responsibility (CSR) and other related matters and discharges the roles as prescribed under Section 135 of the Act which includes –

- i) formulation and review of CSR Policy and to make it comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ii) to ensure adherence to CSR Policy; and
- iii) to provide guidance on various CSR activities to be undertaken by the Company
- iv) recommending the amount of expenditure to be incurred on CSR and
- v) to monitor the progress of CSR activities.

During the year, the Committee meeting was held on – (i) 29th May 2024 and (ii) 28th January 2025. The composition of the Corporate Social Responsibility Committee as at 31st March 2025 and the details of Members' participation at the meetings of the Committee are as under: -

Name of the Member	Status	Category	No. of Meetings attended
Shri Yashwant Kumar Daga	Chairperson	Executive Non-Independent	2
Shri Anand Prasad Agarwalla (till 05.09.2024)	Member	Non-Executive Independent	1
Shri Vivek Chiraniya (till 31.08.2024)	Member	Non-Executive Independent	1
Shri Shounak Mitra (w.e.f. 30.12.2024)	Member	Non-Executive Independent	1
Shri Satya Prakash Sarda (w.e.f. 30.12.2024)	Member	Non-Executive Independent	1

Necessary quorum was present for all the meetings of the Committee.

7. GENERAL BODY MEETINGS.

a) Location, date and time of last three Annual General Meetings (AGMs) is as follows: -

Particulars	Location	Date	Time	Special Resolutions passed
40th AGM	Conducted through video conferencing, deemed venue of which was 121, Industrial Area, Baddi,	30.06.2022	2.30 p.m.	No Special resolution was passed in this meeting.
41th AGM		12.06.2023	4.00 p.m.	Appointment of Shri Sharad Agarwal as Independent Director.
42nd AGM	Tehsil Nalagarh, dist-Solan, Pin-173205 (H.P.)	30.08.2024	3.30 p.m.	No Special resolution was passed in this meeting.

As required, voting was conducted electronically with M/s. Central Depository Services (India) Limited facilitating the remote e-voting as well as e-voting during the AGM.

During the 41st AGM, two special resolutions pertaining to the matters given below could not be passed due to a lack of requisite votes in their favour. -

1. Reappointment of Shri Pradip Kumar Daga as Chairman and Managing Director.
2. Appointment of Shri Shantanu Daga as Whole Time Director.

b) Extra Ordinary General Meeting (EGM) held during the year

No Extra Ordinary General Meeting was held during the year.

c) Postal Ballot

- i) During the year under review, the Company sought approval of the shareholders by way of postal ballot only through remote e-voting process, vide Notice dated 6th January 2025 on the following resolutions-

Sr. No.	Type of Resolution	Description of Resolution
1.	Special Resolution	Appointment of Shri Shounak Mitra (DIN: 07762047) as Independent Director of the Company.
2.	Special Resolution	Appointment of Shri Sanjiv Banerji (DIN: 07575727) as Independent Director of the Company.
3.	Special Resolution	Appointment of Shri Satya Prakash Sarda (DIN: 01089614) as Independent Director of the Company.
4.	Special Resolution	Appointment of Shri Hussan Lal (DIN: 02286226) as Independent Director of the Company.
5.	Special Resolution	Appointment of Smt. Sonu Jain (DIN: 07267279) as Independent Director of the Company.

All the resolutions were passed with requisite majority. The details of e-voting on the abovementioned resolutions are provided hereunder –

Particulars	Votes Cast in Favour			Votes Cast Against		
	No. of Members	No. of shares/ Votes	%ge	No. of Members	No. of shares/ Votes	%ge
Appointment of Shri Shounak Mitra (DIN: 07762047) as Independent Director of the Company – Special Resolution.	38	1827679	99.97%	1	480	0.03%

Particulars	Votes Cast in Favour	Votes Cast Against	Particulars	Votes Cast in Favour	Votes Cast Against	Particulars
Appointment of Shri Sanjiv Banerji (DIN: 07575727) as Independent Director of the Company – Special Resolution.	38	1827679	99.97%	1	480	0.03%
Appointment of Shri Satya Prakash Sarada (DIN: 01089614) as Independent Director of the Company – Special Resolution.	37	1826179	99.89%	2	1980	0.11%
Appointment of Shri Hussan Lal (DIN: 02286226) as Independent Director of the Company – Special Resolution.	38	1827679	99.97%	1	480	0.03%
Appointment of Smt. Sonu Jain (DIN: 07267279) as Independent Director of the Company – Special Resolution.	38	1827679	99.97%	1	480	0.03%

- ii) The Board of Directors had appointed Shri Ajay K. Arora (Membership No. FCS 2191 and Certificate of Practice No. 993) as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- iii) The remote e-voting period commenced from 9.00 a.m. (IST) on Sunday, 12th January 2025 and ended at 5.00 p.m. (IST) on Monday, 10th February, 2025. The consolidated report on the result of the postal ballot through remote e-voting process was provided by the Scrutinizer on Tuesday, 11th February 2025.

iv) Procedure for Postal Ballot-

The Postal Ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any of the Act including any statutory modification(s) or re-enactment(s) thereof for the time being in force read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'), Secretarial Standard of General Meetings (SS-2) to the extent applicable, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs vide its General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13 April 2020, 20/2020 dated 5 May 2020, 22/2020 dated 15 June 2020, 33/2020 dated 28 September 2020, 39/2020 dated 31st December 2020, 10/2021 dated 23rd June 2021, 20/2021 dated 8th December, 2021, 02/2022 dated May 05, 2022, 3/2022 dated 5th May 2022, 10/2022 dated 28th December 2022, 11/2022 dated 28th December 2022, 9/2023 dated 25th September 2023 and 9/24 dated 19th September 2024.

- v) Whether any special resolution is proposed to be conducted through postal ballot?

Special Resolutions to be passed at the ensuing Annual General Meeting of the Company are not proposed to be put through postal ballot. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

8. MEANS OF COMMUNICATION

Quarterly/ Half Yearly Financial Results are published in leading newspapers such as Jansatta (regional newspapers) and Financial Express (National - English) and are also displayed at the Company's website www.dsl-india.com

Official press releases, presentations to analysts and institutional investors, if any and other general information about the Company, are not communicated individually to shareholders of the Company. However, in addition to uploading the same on the website of the Company are also sent to Stock Exchanges for dissemination.

9. GENERAL SHAREHOLDER INFORMATION –

Annual General Meeting Day, Date and Time	:	Friday, 19 th September 2025 at 3.30 p.m.
Venue	:	The Company is conducting Annual General Meeting through Video Conferencing ('VC') /Other Audio Visual Means ('OAVM') The deemed venue for the meeting is the Registered Office of the Company, that is, 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh – 173205.)
Dates of Book closure	:	From Saturday, 13 th September 2025 to Friday, 19 th September 2025 (both days inclusive)
Cut-off Date	:	Friday, 12 th September 2025
Dividend Payment Date	:	No dividend has been recommended by the Board of Directors
Financial Year	:	1 st April to 31 st March
Financial Calendar 2025-26 (Tentative)		
First Quarter Results		First or second week of August 2025
Second Quarter Results		First or second week of November 2025
Third Quarter Results		First or second week of February 2026
Annual Results		Second week onwards of May 2026

Listing on Stock Exchange:

Name & address of the Stock Exchange	Stock Code / Scrip Code	ISIN no. for NSDL / CDSL
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	514030	INE272C01013

Annual listing fee for the year 2025-26 has been paid to the Stock Exchange.

Suspension from trading

Securities of the Company have not been suspended from trading on BSE Limited, where they are listed.

Registrars & Transfer Agents (RTA) in Physical and Electronic (DEMAT) Mode.

M/s Maheshwari Datamatics Private Limited, 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001. Telephone: (033)22435029, (033)22433809, (033) 22482248.

E-mail – mdpldc@yahoo.com Website – <https://mdpl.in>

Share Transfer System

Share Transfer System In terms of the Listing Regulations, transfer, transmission and transposition of equity shares of the Company shall be affected only in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

As per the notifications/ circulars/ guidelines issued by SEBI from time to time, the Company shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, exchange/ sub-division/ split/ consolidation of securities, transmission/ transposition etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholder fails to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat Account on submission of necessary documentation.

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Equity Shares in Suspense Escrow Demat Account

In compliance with SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022, the Company has opened '**Deepak Spinners Limited Escrow Demat Account**' with M/s. Aditya Birla Money Limited to transfer unclaimed securities. As on 31.03.2025, there were 890 shares in this Escrow Demat Account.

Details of shares transferred to/ released from Suspense Escrow Demat account during the financial year ended 31st March 2025 are as under:

Particulars	No. of shareholders	No. of Shares
Shares lying as on 1 st April 2024	4	590
Shares transferred during financial year ended on 31 st March 2025	2	300
Shares claimed back during the financial year ended on 31 st March 2025	Nil	Nil
Shares lying as on 31 st March 2025	6	890

The Company has not transferred any equity shares to any other demat suspense account or unclaimed suspense account. The Company Secretary of the Company is authorized by the Board of Directors to approve issuance of letter of confirmation in lieu of duplicate share certificates. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Pattern of Shareholding as on 31.03.2025.

Sr. No.	Category	No. of Shares	% of Paid-up Share Capital
1.	Promoters	33,03,268	45.95
2.	Mutual Funds and Insurance Companies	700	0.01
3.	Financial Institutions and Banks	320	0.01
4.	Bodies Corporates	4,80,221	6.68

5.	Investor Education and Protection Fund Authority	3,27,451	4.55
6.	HUF	2,35,078	3.27
7.	NRIs and OCBs	90,041	1.25
8.	Foreign Nationals	700	0.01
9.	Unclaimed Suspense Account	890	0.01
10.	Other Resident Individuals	27,50,699	38.26
	Total	71,89,368	100.00

Distribution of Shareholding as on 31.03.2025.

Shareholding	No. of Shares held	% of total paid Up Capital	No. of Shareholders	% of total No. of Shareholders
Upto 500	9,80,928	13.64	9,231	91.73
501-1000	3,43,704	4.78	452	4.49
1001-10000	8,77,827	12.21	338	3.36
10001 & above	49,86,909	69.37	42	0.42
Total	71,89,368	100.00	10063	100

Unclaimed Dividends

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, transfer and Refund) Rules, 2016 ('IEPF Rules') read with the relevant circulars and amendments thereto, the amount of dividend if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government.

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to Unpaid Dividend Account shall also be transferred to demat account of IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends. Details of the shares / shareholders in respect of which dividend has not been claimed are provided on the website of the Company at <http://www.dsl-india.com/unclaimed-dividends>

In the light of the aforesaid provisions, the Company as during the year under review transferred to IEPF the unclaimed dividends in respect of Interim Dividend for the financial year 2015-16, outstanding for seven consecutive years. Further, shares of the company in respect of which dividend has not been claimed for seven

consecutive years or more from the date of transfer to Unpaid Dividend Account have also been transferred to the demat account of IEPF Authority.

The Company has uploaded the information in respect of the unclaimed dividends on the website of the IEPF, viz. www.iepf.gov.in and on the website of the company at <http://www.dsl-india.com/unclaimed-dividends>

NODAL OFFICER - The Company has appointed Smt. Puneeta Arora, Company Secretary as Nodal Officer under the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

Members/ claimants whose shares or unclaimed dividend have been transferred to the IEPF Demat Account or the IEPF Fund, as the case may be, may claim the shares or apply for a refund by making an application to the IEPF Authority in Form IEPF -5 (available on <http://www.iepf.gov.in>) and send a duly signed copy of the same to the Registrar and Transfer Agents of the Company at their email and office address given in this report. The member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

Information in respect of Unclaimed dividend and due dates for Transfer of Unclaimed Dividend to the Investor Education and Protection Fund (IEPF)-

Sr. No.	Dividend	%ge of Dividend	Date of Declaration	Due date of transfer to IEPF
1.	Final Dividend 2018-19	15%	12.09.2019	15.10.2026
2.	Interim Dividend 2019-20	15%	05.03.2020	09.04.2027
3.	Final Dividend 2020-21	20%	23.09.2021	26.10.2028
4.	Final Dividend 2021-22	25%	30.06.2022	29.07.2029
5.	Final Dividend 2022-23	25%	12.07.2023	14.08.2030
6.	Final Dividend 2023-24	5%	30.08.2024	05.10.2031

Dematerialisation of shares and liquidity

As on 31st March 2025, 97.03% equity shares of the Company are in dematerialized form with **National Securities Depository Limited** and **Central Depository Services (India) Limited**.

Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

Outstanding GDR or ADRs or warrants or any convertible instruments

The Company has not issued any Global Depository Receipts (GDRs), American Depository Receipts (ADRs), warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities

The Company has reasonable exposure to foreign exchange. Export sales transactions are covered under PCFC (Pre-Shipment Credit In Foreign Currency) facility availed from the Bankers of the Company and there is a natural hedging partly available in terms of exports made by the Company. The details of foreign exchange exposure are detailed in Note no. 43 of Annual Financial Statements.

Plant locations

- i) 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh- 173205.
- ii) Village Pagara, Tehsil & District Guna, Madhya Pradesh – 473001.

Address for correspondence

Deepak Spinners Limited, Share Department, 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh- 173205. (INDIA). Telephone: (01795)244011, (01795)244016.

M/s Maheshwari Datamatics Private Limited, 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001. Telephone: (033)22435029, (033)22433809, (033) 22482248.

Designated email-id for investor servicing:

The e-mail ids designated exclusively for investor servicing—mdpldc@yahoo.com and puneeta.arora@dslindia.in

Credit Rating

The Company has the following credit rating from M/s. ICRA Limited on 22nd August 2024.

Facility	Amount (Rs. Crore)	Rating / Outlook
On Long Term Scale		
Fund Based – Cash Credit	60.00	[ICRA]A- (Negative)
Non-Fund Based – Bank Guarantee	3.00	
Total	63.00	
On Short Term Scale		
Fund Based – Export Packing Credit (interchangeable)^	(15.00)	[ICRA]A2+
Fund Based – Bill Discounting (Interchangeable)^	(15.00)	
Non-Fund Based – Letter of Credit	2.00	
Non-Fund Based – Capex Letter of Credit	10.00	
Non-Fund Based – Credit Exposure Limit	1.00	
Total	13.00	
^Within the overall fund based working capital limit		

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) – Not Applicable

10. CEO/CFO CERTIFICATION

As required by Regulation 17(8) of the Listing Regulations, the Chairman and Managing Director [CEO] and Chief Financial Officer [CFO] of the Company have certified to the Board about accuracy of the financial statements, maintenance of the code of conduct of the Company and adequacy of the internal control systems for the financial year ended on 31st March 2025.

11. OTHER DISCLOSURES

- a) **RELATED PARTY TRANSACTIONS** - All related party transactions have been entered into in the ordinary course of business and are transactions for which omnibus approval of the Audit Committee was taken. There were no materially significant transactions with related parties during the financial year which were not in the normal course of business and which may have conflict with the interest of the Company. All individual transactions with related parties or others were on arm's length basis. Suitable disclosures as required by the IND AS 24 – 'Related Party Disclosures' have been made in the note no. 42 to the Financial Statements.

The Board has formulated a Policy for Related Party Transactions which is available on the Company's website. (weblink: <http://www.dsl-india.com/policies-code-of-conduct>)

- b) The Company has fully complied with all the applicable requirements of regulatory authorities on Capital Markets except that a penalty of Rs.1,12,000/-, excluding GST was imposed on the Company by BSE Limited for appointing Asha Devi Daga, aged above 75 years, as a Non-Executive Director without prior approval of the members. The penalty was paid by the Company. However, approval of the members has been taken vide a special resolution within 3 months of appointment as per Regulation 17(1C) of SEBI LODR Regulations in EGM held on 20.04.2022.

The Company paid a penalty of Rs. 2,000/- excluding GST, for late submission by 2 days of the quarterly return of Investor Complaints for the quarter ended 30.09.2024. The penalty has been paid by the Company.

During the year, the majority of the Directors on the Board ceased to hold office, resulting in the absence of a validly constituted Board for a period. Consequently, the Committees of the Board could not meet the prescribed composition requirements due to the unavailability of requisite members.

The appointment of new Directors—except for the appointment of a Woman Director—was carried out within the timelines stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The reconstitution of Board Committees could only be undertaken following the appointment of the new Directors.

For the quarter ended 31st December 2024, BSE Limited imposed a penalty of Rs 5,61,000/- excluding GST on the Company on account of the temporary non-compliance with the composition of Board Committees and the delayed appointment of a Woman Director. The Company submitted that, in the absence of Directors, the time allowed for their appointment should reasonably extend to the reconstitution of Committees. However, this submission was not accepted by BSE Limited, and the penalty has since been duly paid by the Company.

The Company currently has properly constituted Board of Directors and its Committees in accordance with applicable laws and regulations.

- c) **VIGIL MECHANISM** - The Company has a Vigil Mechanism to provide an avenue for Directors and employees to raise concerns of any fraud, mismanagement, negligence, or violations of legal or regulatory requirements. The Policy on Vigil Mechanism is also posted on the website of the Company. The Audit Committee periodically reviews the functioning of the Vigil Mechanism.

The mechanism provides for adequate safeguards against victimization of personnel, who avail of the mechanism. Although no personnel were denied access to the Vigil Officer and the Audit Committee, no complaints were received during 2024-25.

- d) **SUBSIDIARY COMPANIES** - The Company does not have any subsidiary Company.

- e) **SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and rules made thereunder, the Company has formed Internal Complaints Committees at its locations to address complaints pertaining to sexual harassment in accordance with the POSH Act.

The status of complaints under POSH Act, during the year was as under –

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

- f) All Accounting Standards mandatorily required to be followed, have been followed without exception in the preparation of the financial statements.

- g) Procedures for the assessment of risk and its minimization have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that management can control risks. The Company is not required to form a Risk Management Committee.
- h) No money was raised by the Company through any public issue, rights issue, preferential issue, etc. during the financial year 2024-25.
- i) A Certificate from a Company Secretary in Practice, M/s. A. Arora & Company, Company Secretaries has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board or Ministry of Corporate Affairs or any such statutory authority. It is given as 'Annexure – B' to this report.
- j) Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under Schedule V of the Listing Regulations.
- k) As per Regulation 26(5) of Listing Regulations, there were no material financial and commercial transactions by Senior Management, where they have personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- l) **Recommendations of Committees to the Board** - During 2024-25, the Board of Directors accepted all recommendations of various committees of the Board which were mandatorily required to be placed before the Board.
- m) Total fees for all services paid by the Company to the Statutory Auditors, M/s. Salarpuria & Partners, Chartered Accountants for the year 2024-25 were as follows-

	Amount in Rs.
Audit Fee	11,00,000
Limited Review	2,70,000
Certification Fee	60,000
Reimbursement of Expenses	90,546
Total	15,20,546

12. The Company has complied with all the mandatory requirements of Corporate Governance specified in Regulation 17 to 27 and clauses (b) to (f) of Regulation 46(2) of Listing Regulations.
13. The Corporate Governance Report of the Company for the year ended on 31st March 2025 complies with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. There is no non-compliance with any of the requirements of the Corporate Governance Report as required under the Listing Regulations
14. The status of adoption of the discretionary requirements as specified in Regulation 27(1) and Part E of Schedule II of the Listing Agreement are as follows: -
1. **The Board** - The Chairman of the Company is the Executive Chairman.
 2. **Shareholders' Rights** - Quarterly and Half-yearly financial results are published in newspapers and uploaded on Company's website but are not being sent to each household of shareholders of the Company.
 3. **Modified opinion(s) in audit report** - The Auditors have raised no qualification on the financial statements.

4. Reporting of Internal Auditor - The Internal Auditors report directly to the Audit Committee. They are also invited to the meetings of the Audit Committee to discuss issues and queries raised by the latter.

15. Disclosure of Compliances –

The Company has disclosed the compliance of regulations in respect of Corporate Governance as per Listing Regulations on its **website www.dsl-india.com**

16. Reconciliation of Share Capital Audit

As stipulated by the Securities and Exchange Board of India (SEBI) a qualified practicing Chartered Accountant carries out Reconciliation of Share Capital Audit. This Audit is carried out for every quarter and the report thereon is submitted to the Stock Exchange and is placed before the Board.

17. Compliance Certificate

Compliance Certificate for Corporate Governance from Auditors of the Company is given as '**Annexure-C**' to this report.

18. Filing of Cost Audit Report

As per Section 148 of the Companies Act, 2013, read with Rule 6 of the Companies (Cost Records and Audit) Rules, 2014, Cost Auditors have to forward Cost Audit Report to the Board of Directors of the Company within a period of 180 days from the closure of financial year and the said report is required to be filed within a period of 30 days from the date of receipt with the Ministry of Corporate Affairs.

In compliance with the requirements under General Circular 15/2011 dated 11 April, 2011 of Ministry of Corporate affairs, the details of Cost Audit Report filed with Ministry of Corporate Affairs during the year is as below –

Financial Year	Name of Cost Auditor	Date of Filing
2023-24	M/s. Shakti K. & Associates, Cost Accountants,	26.08.2024

This Corporate Governance Report was adopted by the Board of Directors at its meeting held on 22nd May 2025.

'Annexure – A'**DECLARATION REGARDING COMPLIANCE OF THE CODE OF CONDUCT.**

To,

**The Members of
Deepak Spinners Limited**

It is hereby confirmed that all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2025.

Place: Kolkata
Date: 22.05.2025

Yashwant Kumar Daga
Chairman and Managing Director
(DIN-00040632)

'Annexure – B'
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
 Deepak Spinners Limited,
 #121, Industrial Area, Baddi,
 Tehsil: Nalagarh, Distt: Solan,
 Himachal Pradesh.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Deepak Spinners Limited having CIN: L17111HP1982PLC016465 and having registered office at # 121, Industrial Area, Baddi, Tehsil: Nalagarh, Distt: Solan, Himachal Pradesh (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Mr. Yashwant Kumar Daga	00040632	23.10.2006
2.	Mr. Shantanu Daga	08757724	09.11.2020
3.	Mr. Sanjiv Banerji	07575727	13.11.2024
4.	Mr. Shounak Mitra	07762047	13.11.2024
5.	Mr. Satya Prakash Sarda	01089614	30.12.2024
6.	Mr. Hussan Lal	02286226	06.01.2025
7.	Ms. Sonu Jain	07267279	06.01.2025

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

For **A. Arora & Co.,**
 Company Secretaries
 Ajay K. Arora
 (Proprietor)
 M No. 2191
 C P No. 993

Date: 22.05.2025
 Place: Chandigarh
 UDIN: F002191G000406683

Peer Review Cert No. 2120/2022

'Annexure – C'

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
Deepak Spinners Limited
121, Industrial Area, Baddi, Tehsil-Nalagarh
District-Solan (Himachal Pradesh) -173205

1. The Corporate Governance Report prepared by Deepak Spinners Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2025. This certificate is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
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 according to the information and explanations given to us, that we are of the opinion that the Company has complied in all material respect with the conditions of

Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2025, referred to in paragraph 1 above, except for delay / non-compliances as mentioned below:

- a) There was a delay of 2 (two) days in submitting the quarterly statement of shareholders complaints and grievances with BSE Limited as per Regulation 13 (3) of LODR Regulations for the quarter ended September 30, 2024. The fine levied by BSE in this regard has been paid.
- b) There was delay in appointment of a woman director as per the provisions of Regulation 17 (1E) read with Regulation 17 (1) of the LODR Regulations and Section 149 (1)(a) of the Companies Act, 2013 and rules made thereunder.
- c) Further, due to consecutive resignation and retirement of the independent directors, there were consequent delays in reconstitution of the Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee leading to violations of Regulation 18 (1), Regulation 19(1) & (2) and Regulation 20(2) & (24) respectively of the LODR regulations.

Subsequently, the Company has made good the above-mentioned non-compliances by paying the fine levied by BSE.

OTHER MATTERS AND RESTRICTION ON USE

8. This report 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.
9. This certificate is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

For Salarpuria & Partners
Chartered Accountants
Firm Registration NO.: 302113E

Anand Prakash
Partner
Membership No. 56485
UDIN: 25056485BMOCLS2198

Place: Kolkata
Date: 22.05.2025

INDEPENDENT AUDITOR'S REPORT

To The Members of THE DEEPAK SPINNERS LIMITED
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Deepak Spinners Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of Material 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its **Loss** including other comprehensive income, its Cash Flows and the changes in equity 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 (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

S. N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of Inventories</p> <p>We refer to Note 2 and 9 to the Financial State-ments. As at March 31, 2025, the total carrying value of inventories was Rs. 8,794.01 Lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions, and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and declined in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>How our audit addressed the key audit matter:</p> <p>The Audit procedures which we performed, among other matters based on our judgement, included the following:</p> <ul style="list-style-type: none"> • We have analysed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventories obsolescence. • We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventories obsolescence considering the current economic environment. • We have also verified the subsequent selling prices in the ordinary course of business and compared against the carrying value of the inventories on a sampling basis at the reporting date. • We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.
2.	<p>Trade and Other receivables</p> <p>As disclosed in Note 10 to the Financial State-ments. The Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.</p>	<p>How our audit addressed the key audit matter:</p> <p>The Audit procedures which we performed, among other matters based on our judgement, included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Company's credit policy for trade receivables and evaluated the processes for identifying impairment indicators. • We have reviewed and tested the ageing of trade and other receivables. • We have reviewed management's assessment on the credit worthiness

		<p>of selected customers for trade receivables.</p> <ul style="list-style-type: none"> • We further discussed with the key management on the adequacy of the allowance for impairment recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. • We have also reviewed the adequacy and appropriateness of the impairment charge based on the available information. • Based on our audit procedures performed, we found management’s assessment of the recover-ability of trade and other receivables to be reason-able and the disclosures to be reasonable and appropriate. • The company used simplified approach permitted by IndAS 109 which mandates recognizing lifetime expected credit loss on trade receivable from the point of initial recognition. • The company uses provision matrix under the simplified approach. Thus, matrix estimate ECL based on historical credit loss experience, adjusted for current condition and forward-looking information.
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Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexure to Board’s Report, Business Responsibilities Report, Corporate Governance and Shareholder’s Information, but does not include the Ind AS 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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 including other comprehensive income, Cash Flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 materially 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 material control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The company, though not statutorily required to comply with Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR), has voluntarily incurred expenditure amounting to Rs. 70.92 lakh towards CSR activities during the year. This fact has been disclosed in the note no. 48 to the financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "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, 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 purpose 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
 - iv)
 - a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediaries 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, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding

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

- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them 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) During the year, the Company has declared and paid dividend amounted to Rs.35.95 Lakhs for the year ended March 31, 2024 which is in compliance of section 123 of the Companies Act, 2013.
- vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 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 softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

Additionally, the audit trail, were enabled has been preserved by the company as per statutory requirement for record retention.

For Salarpuria & Partners
Chartered Accountants
(Firm ICAI Regd. No. 302113E)

Anand Prakash
(Partner)
Membership No. 056485

UDIN: 25056485BMOCLR2979
Place: Kolkata
Date: 22.05.2025

(Referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our Report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- b) The Company has a programme of physical verification of its Property, Plant, and Equipment and right-of-use assets by which Property, Plant and Equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its Property, Plant and Equipment.
- c) The title deeds of immovable properties included in property, plant and equipment are held in the name of the company except the following:

Description of Property	Gross Carrying Value	Held in Name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in name Company
Freehold Land	Rs. 2.42/- Lakh	Seller	No	21 st February, 1994	As informed by the management owner is expired and other legal steps is in process.
Building	Rs. 625.49/- Lakh	NA	No	Possession taken from Real Estate Developer w.e.f 22 nd October, 2022	Pending due to certain statutory compliances of real estate develop-per.

- d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Hence, reporting under this clause is not applicable.
- e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of Clause 3(1)(e) of the Order are not applicable to the Company.
- ii. a) The management has conducted physical verification of inventories during the year at reasonable interval and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification. However, inventory of raw material destroyed by fire of Rs. 13.84 Lakhs has been dealt in the books of accounts appropriately.

- b) The Company has been sanctioned working capital limits during the year in excess of five crores rupees, in aggregate, from a bank on the basis of security of current assets. Based on the examinations of the books of accounts and quarterly statements submitted to the bank, aggregate value of stocks and debtors are not in agreement with the books of accounts as mentioned reason for the same mentioned Note No. 21 to the financial statements.
- iii. During the year, the Company has not made any investment in firms, limited liability partnership or any other parties. The Company has not provided any guarantee or security or granted any loans or advances in the nature of Loans, Secured or Unsecured to Companies, Firms, limited liability Partnership or any other parties during the year.
- iv. The Company has no transaction with respect to loan, investment, guarantee, and security covered under Section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of paragraph 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposit or amount which are deemed to be deposits covered under Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of Clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account 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 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. a) According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year-end for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings:

Name of Status	Nature of dues	Amount (Rs. In Lakh)	Forum where dispute is pending	Period
The Central Excise Act, 1944	Demand for excise duty	2.34	CESTAT	2007-08
Income Tax Act, 1961	Dispute relating to carry forward unabsorbed depreciation and provision for doubtful debts. Short allowance of credit of TDS and excess charge of Interest.	6.25	CIT (Appeals) Kolkata	Assessment Year 2011-12

	Short allowance of credit of TDS and excess charge of Interest.	0.76	CIT (Appeals) Kolkata	Assessment Year 1998-99
	Disallowance of expenses etc.	1.21	CIT (Appeals) Kolkata	Assessment Year 2012-13
	MAT Credit disallow –ance	21.39	CIT (Appeals) Kolkata	Assessment Year 2015-16
The Employees' Provident funds and Miscellaneous Provisions Act, 1952	Provident fund liability on Apprentices trainees.	70.33	Central Government Industrial Tribunal cum Labour court- Jabalpur.	Mar-2003 to Feb-2008
The Madhya Pradesh Upkar Adhiniyam, 1981	Cess on captive generation of electricity.	62.63	Hon'ble Madhya Pradesh High Court Bench Gwalior.	Aug-2011 to Jan-2013
Madhya Pradesh Vidyut Shulk Abhiniyam 2012	Dispute in relation to rate of electricity duty including interest.	528.26	Hon'ble Madhya Pradesh High Court Bench Gwalior	Apr-2012 to Sep-2020
Goods & Services Tax Act, 2017	Short Payment of GST	1.43	Appellate Authority, GST	July-2017 to Mar 2018

- viii. According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of paragraph 3(viii) of the said Order are not applicable to the Company.
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- b) According to information and explanations given by the management, the Company is not declared wilful defaulter by any bank or financial institution or other lender.
- c) The Company has not obtained any term loan during the year. Therefore, the provisions of Clause 3(ix)(c) of the Order are not applicable to the Company.
- d) According to the information and explanations given us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on Short-Term basis have been used for Long-Term purposes by the Company.
- e) The Company does not have any subsidiaries, joint ventures or associates. Hence reporting under the paragraph 3(ix)(e) of the Order are not applicable to the Company.
- f) The Company does not have any subsidiary, associate or joint venture. Hence reporting under the paragraph (ix)(f) of the order is not applicable to the Company.
- x. a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions 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 based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares

or fully, partly or optionally convertible debentures during the year. Therefore, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

- xi. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b) We have not come across any instance of fraud by the Company or on the company during the course of Audit, therefore report under Sub-section 12 of Section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Therefore, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- 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.
- xiv. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
- b) We have considered internal audit reports of the Company available till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year. Hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of paragraph 3(xvi)(a) of the Order are not applicable to the Company.
- b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of paragraph 3(xvi)(b) of the Order are not applicable to the Company.
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.
- d) According to the representations given by the management, there is no CIC as part of the Group.

- xvii. Based on the overall review of Financial Statement, the Company has not incurred cash loss in the financial year and in the immediately preceding financial year. Hence, reporting under paragraph 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of statutory auditor during the year. Hence, reporting Paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the Financial Ratios, ageing and expected dates of realization of Financial Assets and payment of Financial Liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable to meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, there is no unspent amount transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Hence, the comment on said clause (xx) (a) is not applicable.
- xxi. There is no remaining unspent amount under sub-section (5) of Section 135, pursuant to any ongoing projects has been transferred to special account in compliance with the provision of sub-section (6) of Section 135. Hence, the comment on said clause (xx) (b) is not applicable.
- xxii. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Hence, reporting under paragraph 3(xxi) of the Order is not applicable.

***For Salarpuria & Partners
Chartered Accountants
(Firm ICAI Regd. No. 302113E)***

***Anand Prakash
(Partner)
Membership No. 056485***

***UDIN: 25056485BMOCLR2979
Place: Kolkata
Date: 22.05.2025***

**Annexure `B` to the Independent Auditor's Report on the Audit of the Financial Statements
Report on the Internal Financial Controls under Clause(i) of sub-section 3 of section 143 of the Companies Act,
2013 ("the Act")**

(Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)

We have audited the internal financial controls with reference to financial statements of Deepak Spinners Limited ("the Company") as on 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, in all material respects, an adequate internal financial controls system with reference to financial statements 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 however needs to be further strengthened.

***For Salarpuria & Partners
Chartered Accountants
(Firm ICAI Regd. No. 302113E)***

***Anand Prakash
(Partner)
Membership No. 056485***

UDIN: 25056485BMOCLR2979

Place: Kolkata

Date: 22.05.2025

BALANCE SHEET AS AT 31ST MARCH, 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

	Note	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	'3'	17,459.79	17,629.69
Capital Work-in-Progress	'3A'	33.89	858.83
Right of use Assets	'4'	54.00	126.06
Other Intangible assets	'5'	-	1.72
Financial Assets			
a. Investment	'6'	1.90	1.90
b. Other Non-Current Assets	'7'	438.46	478.16
Other Non-Current Assets	'8'	381.89	415.52
		18,369.93	19,511.88
Inventories	'9'	8,794.01	10,159.06
Financial Assets			
a. Trade Receivables	'10'	3,604.83	2,773.20
b. Cash and Cash Equivalents	'11'	11.19	8.54
c. Bank balances other than (b) above	'12'	49.89	47.77
d. Other Financial Assets	'13'	188.41	187.56
Current Tax Assets (Net)	'14'	498.71	474.30
Other Current Assets	'15'	1,734.89	2,138.84
		14,881.93	15,789.27
Total Assets		33,251.86	35,301.15
Equity			
Equity Share Capital	'16'	718.94	718.94
Other Equity	'17'	21,793.23	22,825.82
		22,512.17	23,544.76
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Lease Liabilities	'18'	-	78.13
Provisions	'19'	171.95	162.99
Deferred Tax Liabilities (Net)	'20'	872.72	1,203.05
		1,044.67	1,444.17
Current Liabilities			
Financial Liabilities			
a. Borrowings	'21'	3,680.87	4,293.33
b. Lease Liabilities	'22'	-	22.76
c. Trade Payables	'23'		
a) total outstanding dues of micro and small enterprises		96.70	60.99
b) total outstanding dues of creditors other than micro and small enterprises		3,270.37	3,230.79
d. Other Financial Liabilities	'24'	1,145.10	1,103.76
Other Current Liabilities	'25'	122.12	248.16
Provisions	'26'	1,379.86	1,352.43
Current Tax Liabilities (Net)	'27'	-	-
		9,695.02	10,312.22
		10,739.69	11,756.39
Total Equity and Liabilities		33,251.86	35,301.15

Summary of significant accounting policies and other notes to financial statements

'1 to 50'

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **Salarpuria & Partners**

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 056485

Place: Kolkata

Date: 22nd May, 2025

Yashwant Kumar Daga
Chairman and Managing Director
 DIN: 00040632

Shounak Mitra
Director
 DIN: 07762047

Gajendra Singh Rathore
Chief Financial Officer

Puneeta Arora
Company Secretary
 FCS:7466

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

(All amounts are Rupees in Lakhs, unless otherwise stated)

		Note	For the Year ended 31st March, 2025	For the Year ended 31st March, 2024
I	REVENUE			
	Revenue from Operations	'28'	52,406.66	47,097.77
	Other Income	'29'	229.73	280.03
	Total Income		52,636.39	47,377.80
II	EXPENSES			
	Cost of Materials Consumed	'30'	32,145.79	28,101.39
	Changes in Inventories of Finished Goods, Work-in-Progress and Waste	'31'	1,490.59	(812.65)
	Employee Benefits	'32'	7,388.33	7,272.17
	Finance Costs	'33'	376.53	391.65
	Depreciation and Amortization	'34'	1,755.06	1,670.20
	Impairment Loss	'34 (a)'	-	220.59
	Other Expenses	'35'	10,877.01	10,329.50
	Total Expenses		54,033.31	47,172.85
	Profit before Exceptional Item and Tax (I-II)		(1,396.92)	204.95
	Exceptional Item		-	-
	Profit/(Loss) before Tax		(1,396.92)	204.95
	Tax Expense			
	Current Tax	'36'	40.05	(115.00)
	Deferred Tax (Charge)/Credit	'20'	337.86	40.39
	Profit/(Loss) for the year (A)		(1,019.01)	130.34
	Other Comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plans		29.89	52.24
	Tax relating to remeasurement of defined benefit plans		(7.52)	(13.15)
	Total Other Comprehensive income for the year (B)		22.37	39.09
	Total Comprehensive income for the year (A+B)		(996.64)	169.43
	Basic & Diluted Earnings Per Equity Share of Rs. 10 each	'37'	(14.17)	1.81

Summary of significant accounting policies and other notes to financial statements

'1 to 50'

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **Salarpuria & Partners**

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 056485

Place: Kolkata

Date: 22nd May, 2025

Yashwant Kumar Daga

Chairman and Managing Director

DIN: 00040632

Shounak Mitra

Director

DIN: 07762047

Gajendra Singh Rathore

Chief Financial Officer

Puneeta Arora

Company Secretary

FCS:7466

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A.	Cash Flow from Operating Activities		
	Net Profit before tax	(1,396.92)	204.95
	<i>Adjustment for:</i>		
	Depreciation and Amortization	1,755.06	1,670.20
	Impairment Loss	-	220.59
	Profit (Loss) on Sale/Discard of Property, Plant and Equipment (Net)	26.50	(51.66)
	Gain on Lease Termination	(27.94)	-
	Finance Costs	376.53	391.65
	Reversal of Provision for Loss Allowance (Net)	(5.39)	-
	Interest Income	(136.02)	(141.97)
	Interest Income Income Tax	(5.51)	-
	Dividend on Non-Current Investment	(0.38)	(0.38)
	Sundry Credit Balance Written Back	(2.61)	(1.74)
	Operating Profit Before Working Capital Changes	583.32	2,291.64
	Movements in working capital: -		
	(Increase)/ Decrease in Inventories	1,365.05	(321.16)
	(Increase)/ Decrease in Trade and Other Receivables	(520.86)	(155.68)
	Increase/ (Decrease) in Trade and Other Payables	184.89	1,116.36
	Cash Generated From Operations	1,612.40	2,931.16
	Less: Income Tax Paid (Net of Refunds)	21.14	(240.58)
	Net Cash From Operating Activities	1,633.54	2,690.58
B.	Cash Flow from Investment Activities		
	Movement in fixed deposits	(1.49)	1.94
	Interest received	135.17	141.46
	Purchases of Property, Plant and Equipments (including capital advance)	(852.73)	(1,904.76)
	Proceeds from sales of Property, plant & Equipments	131.09	170.61
	Dividend on Non-Current Investment	0.38	0.38
	Net Cash Used In Investing Activities	(587.58)	(1,590.37)
C.	Cash Flow from Financing Activities		
	Repayment of Long-Term Borrowings	-	(890.50)
	Net proceeds/(Repayment) of Short-Term Borrowings	(612.46)	353.17
	Dividend Paid	(35.95)	(179.73)
	Payment of Lease liability	(25.84)	(29.67)
	Finance Costs	(369.06)	(380.88)
	Net Cash Used in Financing Activities	(1,043.31)	(1,127.61)
	Net Increase/ (Decrease) in Cash and Cash Equivalents	2.65	(27.40)
	Cash and Cash Equivalents at the beginning of the year	8.54	35.94
	Cash and Cash Equivalents at the end of the year (Refer Note 11)	11.19	8.54
		2.65	(27.40)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2025*(All amounts are Rupees in Lakhs, unless otherwise stated)***Notes:**

- A. The company has prepared cash flow statement as per indirect method.
- B. As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. However, the Company did not have such changes in liabilities arising from financial activities.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For ***Salarpuria & Partners***

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 056485

Place: Kolkata

Date: 22nd May, 2025

Yashwant Kumar Daga

Chairman and Managing Director

DIN: 00040632

Shounak Mitra

Director

DIN: 07762047

Gajendra Singh Rathore

Chief Financial Officer

Puneeta Arora

Company Secretary

FCS:7466

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

(All amounts are Rupees in Lakhs, unless otherwise stated)

	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity share capital				
Balance at the beginning of the year	7,189,368	718.94	7,189,368	718.94
Changes in equity share capital during the year	-	-	-	-
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-
Balance at the end of the year	7,189,368	718.94	7,189,368	718.94

(b) Other equity	Reserves and Surplus				Total
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	
Balance as at 1st April, 2023	217.81	1.17	2,809.79	19,807.35	22,836.12
Changes in equity share capital due to prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2022	-	-	-	-	-
Profit for the year	-	-	-	130.34	130.34
Other comprehensive income for the year (including Tax thereon)					
- Remeasurement Gain / (Loss) on defined benefit plan	-	-	-	39.09	39.09
Annual Dividend 2022-23				(179.73)	(179.73)
Balance as at 31st March, 2024	217.81	1.17	2,809.79	19,797.05	22,825.82
Changes in equity share capital due to prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2023	-	-	-	-	-
Profit for the year	-	-	-	(1,019.01)	(1,019.01)
Other comprehensive income for the year (including Tax thereon)					
- Remeasurement Gain / (Loss) on defined benefit plan	-	-	-	22.37	22.37
Annual Dividend 2023-24				(35.95)	(35.95)
Balance as at 31st March 2025	217.81	1.17	2,809.79	18,764.46	21,793.23

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **Salarpuria & Partners**

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 056485

Place: Kolkata

Date: 22nd May, 2025

Yashwant Kumar Daga

Chairman and Managing Director

DIN: 00040632

Shounak Mitra

Director

DIN: 07762047

Gajendra Singh Rathore

Chief Financial Officer

Puneeta Arora

Company Secretary

FCS:7466

Notes to the financial statements for the year ended 31 March 2025

1. Reporting Entity

Deepak Spinners Limited referred to as “the Company” is domiciled in India. The Company’s registered office is at 121 Industrial Area, Baddi, Himachal Pradesh- 173212. The Company is a manufacturer of Synthetic Staple Fibres Yarn, Man-made Fibres blended yarn. It has two spinning units located at Guna (Madhya Pradesh) and Baddi (Himachal Pradesh).

These financial statements were approved for issue by the Board of Directors in their meeting held on 22nd May, 2025.

2. Material Accounting Policy Information

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Statement of Compliance

The financial statements of the Company comply with all material aspects with Indian Accounting Standards (“Ind AS”) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and other accounting principles generally accepted in India.

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis except in case of claims lodged with insurance company but not settled, interest on overdue debts from customers due to uncertainty in realisation, export and other benefits doubtful of recovery are accounted for on receipt/settlement and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value
- Defined benefit liability (assets): present value of defined benefit obligation less fair value of plan assets.
- Financial instrument - measured at fair value;
However, trade receivables that do not contain a significant financing component are measured at transaction price.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the

Notes to the financial statements for the year ended 31 March 2025

significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of Property, Plant & Equipment, Intangible Assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows
- Assessment of recoverability of receivables and advances and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

2.5. Classification of Assets and Liabilities as Current and Non-Current

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

Notes to the financial statements for the year ended 31 March 2025

An asset is treated as current when it is:

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

A liability is treated as current when it is:

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

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

The Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.6. Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.7. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

Notes to the financial statements for the year ended 31 March 2025

2.8. Borrowing Cost

Borrowing costs directly attributable to the acquisition construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use or sale. Exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

2.9. Foreign currency transactions

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency is translated using the exchange rates at the date when the fair value is determined.

2.10. Employee benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has Provident Fund as defined contribution plan.

c. Defined benefit plans

For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yield of government bonds.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings

Notes to the financial statements for the year ended 31 March 2025

and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment or curtailment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line-item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d. Other long-term employee benefits

The company has long term employment benefit plans i.e. accumulated leave up to maximum 90 days. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.11. Government Grants and Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

2.12 Measurement of fair value

a. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b. Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is

Notes to the financial statements for the year ended 31 March 2025

positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classifications

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial Assets measured at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated 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 as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

Notes to the financial statements for the year ended 31 March 2025

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit & Loss.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated 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 as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Notes to the financial statements for the year ended 31 March 2025

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/losses are not subsequently transferred to Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

De-recognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

2.14. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. The Business activity of the company falls within one business segment viz “Textile”.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

3. Property, Plant and Equipment

Accounting Policy:

Recognition and measurement

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready for intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. As per the assessment made by the management, property plant & equipment (other than building and captive power plant) does not comprise any significant components with different useful life. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is a future economic benefit associated with the expenditure will flow to the Company and the cost can be measured reliably.

Depreciation

Depreciation on property, plant & equipment is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Assets	Useful lives as per technical certificate
Plant & Machinery	30 Years (On Single Shift Basis)
Power Plant (Biomass)	36 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Right of use assets is amortised over the lease period or estimated useful life whichever is less. Additions on rented premises are being amortised over the period of rent agreement.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Individual assets costing below Rs.5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit & Loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets'.

Tangible Assets							
Particulars	Free hold land (a)	Buildings (b)	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Total
Cost							
As at 31st March, 2023	33.40	6,977.78	20,446.90	203.80	84.35	72.24	27,818.47
Additions	-	169.53	1,626.72	-	2.74	2.83	1,801.82
Disposals	-	-	233.02	1.72	-	0.22	234.96
Adjustment	-	-	-	-	-	-	-
Reclassification to Right of Use Assets							
As at 31st March, 2024	33.40	7,147.31	21,840.60	202.08	87.09	74.85	29,385.33
Additions	-	17.67	1,677.14	-	23.91	4.80	1,723.52
Disposals #	-	57.91	464.54	5.03	15.18	-	542.66
Adjustment	-	-	-	-	-	-	-
Reclassification to Right of Use Assets							
As at 31st March, 2025	33.40	7,107.07	23,053.20	197.05	95.82	79.65	30,566.19
Depreciation							
As at 31st March, 2023	-	1,615.30	8,199.02	97.19	36.50	55.68	10,003.70
For the year	-	235.53	1,376.99	22.59	7.75	4.50	1,647.36
Deletions	-	-	116.00	-	-	0.01	116.01
Impairment Loss *	-	-	220.59	-	-	-	220.59
Reclassification to Right of Use Assets							
As at 31st March, 2024	-	1,850.83	9,680.60	119.78	44.25	60.17	11,755.64
For the year	-	233.24	1,472.37	18.61	7.18	4.43	1,735.83
Deletions	-	37.24	335.53	4.00	8.30	-	385.07
Adjustment	-	-	-	-	-	-	-
Reclassification to Right of Use Assets							
As at 31st March, 2025	-	2,046.83	10,817.44	134.39	43.13	64.60	13,106.40
Net block							
As at 31st March, 2024	33.40	5,296.48	12,160.00	82.30	42.84	14.68	17,629.69
As at 31st March, 2025	33.40	5,060.23	12,235.76	62.66	52.69	15.05	17,459.79

- (a) Includes Carrying Value of Land Rs. 2.42 Lakhs (Previous Year: Rs. 2.42 Lakhs) held by the company since 21st February, 1994 for which registration is pending and Title deed held in the name of others (Other than promoter, director or relative of promoter/director or employee of promoter/ director).

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

- (b) Includes gross carrying value of Building Rs. 625.49 Lakhs for which possession held by the company w.e.f 22nd October, 2022 for which registration of Title deed is pending due to statutory compliance of the Real Estate Developer.
- (c) Property, Plant & Equipment given as security for borrowings refer note 21

During the financial year ended March 31, 2025, a fire occurred at the Company's Guna Unit resulting in damage to certain items of Plant and Equipment. As a result, net carrying value of Rs. 6.13 Lakhs were written off in the books of accounts and charged as loss in the Statement of Profit and Loss under the head Profit (Loss) on Sale/Discard of Property, Plant and Equipment.

- * The Power generation of Power Project (Husk) at Guna for the use of Captive consumption of the factory is suspended due to economic unfavorability. As a result, the company has provided Impairment Loss during the Previous Year of Rs. 220.59 Lakhs after recognizing the carrying amount of the impaired asset i.e. lower of Written down value as at **31.03.24** Rs.339.12 Lakhs and fair value less cost of disposal Rs.118.53 Lakhs as value in use is estimated to be NIL.

3A' 1. Accounting Policy:

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

3A' 2. Movement in Capital Work in Progress

Particulars	As at March 31,2025	As as March 31,2024
Balance at the beginning of the year	858.83	369.98
Additions during the year	27.38	2520.54
Capitalised during the year	(852.32)	(2,031.69)
Balance at the end of the year	33.89	858.83

Capital work in progress primarily includes ongoing installation of new machines in the factories located in Baddi Unit, Himachal Pradesh & Civil Work at Guna Unit, Madhya Pradesh.

3A' 3. Age wise detail of Capital Work in progress

Particulars	As as March 31,2025	As as March 31,2024
Projects in progress		
< 1 Year	27.38	853.52
1-2 Years	1.20	5.31
2-3 Years	5.31	
> 3 Years		
Total	33.89	858.83

3A' 4. Above projects is not overdue and not exceeds its costs of original plan as at the reporting date.

4. Right of use assets (Refer Note 39)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Accounting Policy:

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The company as lessor

Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease.

Rental income from operating leases is recognised on a straight - line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

	Leased Property		
	Leasehold Land	(Building)	Total
Cost			
As at 31st March, 2023	62.74	170.36	233.10
Additions as per IND AS 116 (Lease)	-	-	-
Termination	-	-	-
Adjustment	-	-	-
As at 31st March, 2024	62.74	170.36	233.10
Termination		170.36	170.36
Adjustment			
As at 31st March, 2025	62.74	-	62.74

Amortisation			
As at 31st March, 2023	6.80	79.42	86.22
For the year	0.97	19.85	20.82
Deletions (Termination)	-	-	-
As at 31st March, 2024	7.77	99.27	107.04
For the year	0.97	16.54	17.51
Deletions (Termination)	-	115.81	115.81
As at 31st March, 2025	8.74	(0.00)	8.74
Net block			
As at 31st March, 2024	54.97	71.09	126.06
As at 31st March, 2025	54.00	0.00	54.00

The ROU Asset Lease Property (Building) taken on lease for a period starting from 1st April, 2019 to 30th September, 2027 has been terminated during the year w.e.f 31.01.2025. (Refer Note 39(f))

5. Intangible Assets

Accounting Policy:

Intangible assets have a finite useful life and are stated of cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years. Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired, impairment loss is recognised in the statement of profit & loss.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Particulars	Software IT ERP	Total
Cost		
As at 31st March, 2023	162.25	162.25
Additions	-	-
Disposals	-	-
Adjustment	-	-
As at 31st March, 2024	162.25	162.25
Additions	-	-
Disposals	-	-
Adjustment	-	-
As at 31st March, 2025	162.25	162.25
Amortisation		
As at 31st March, 2023	158.51	158.51
For the year	2.02	2.02
Deletions	-	-
Adjustment	-	-
As at 31st March, 2024	160.53	160.53
For the year	1.72	1.72
Deletions	-	-
Adjustment	-	-
As at 31st March, 2025	162.25	162.25
Net block		
As at 31st March, 2024	1.72	1.72
As at 31st March, 2025	-	-

	As at 31st March, 2025	As at 31st March, 2024
'6' Non-Current Investment		
Investment in Fully Paid Equity Instruments (Unquoted)		
Shivalik Solid Waste Management Limited	1.90	1.90
19,000 (Previous Year '19000') Equity Share of Rs. 10 each		
	1.90	1.90
'7' Other Non-Current Financial Assets		
(Unsecured, Considered Good)		
Security Deposits	438.46	478.16
	438.46	478.16
'8' Other Non-Current Assets		
(i) Capital Advances	369.67	415.52
(ii) Advances Other than Capital Advances:		
Prepaid Expenses	12.22	-
	381.89	415.52

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

'9' Inventories

Accounting Policy:

i) Inventories are valued as follows:	
Raw materials, stores and spares	Lower of cost and net realisable value. Cost is determined on a FIFO basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress, finished goods and traded goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads.
Waste	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

- ii) Provision for obsolete/ old inventories is made, wherever required.
- iii) In view of substantially large number of items in work- in- progress, it is not feasible to maintain the status of movement of each item at shop floor on perpetual basis. The Company, however, physically verifies such stocks at the end of the year and valuation is made on the basis of such physical verification.

(Valued at lower of cost or net realisable value except waste at net realisable value)

Raw Materials	1,670.95	1,546.51
Work-in-Progress	999.23	757.17
Finished Goods	5,741.49	7,487.31
Stores and Spares	365.80	364.70
Waste	16.54	3.37
	8,794.01	10,159.06
Goods in transit included in above inventories are as under:		
Raw materials	-	205.26
Stores and Spares	-	51.24

9a' Write downs of inventories (net of reversal) related to old stock of finished goods amounted to Rs 138.59 (Previous year Nil). It is recognised as expense during the year and included in Changes in inventories of finished goods, stock-in-trade and work-in-progress in statement of profit and loss.

9b' Inventories are hypothecated to secure borrowings. Refer to Note No. 21.

'10' Trade Receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price unless it contains a significant financing component.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

	As at 31st March, 2025	As at 31st March, 2024
Trade Receivables		
At amortized cost		
Considered Good-Unsecured		
Trade receivables from contract with customers	3,604.53	2,772.88
Trade receivables from contract with customers – related parties [Note 42]	0.35	0.32
Less: Allowance for Expected Credit Loss [Note 10c]	(0.05)	-
(A)	3,604.83	2,773.20
Trade Receivables - Credit Impaired [Note 10c]	455.98	461.41
Less: Allowance for doubtful Trade Receivables	(455.98)	(461.41)
(B)	-	-
Total (A+B)	3,604.83	2,773.20

10a' No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade receivables are due from firms in which any director is a partner.

10b' Trade Receivables are hypothecated to secure borrowings. Refer to Note No. 21.

10c' Trade Receivables ageing schedule:

As at March 31, 2025	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Considered good	2,156.22	1,408.94	39.42	0.25	-	-	3,604.83
Which have significant increase in credit risk	-	0.01	0.03	0.001	-	-	0.05
Credit impaired	-	-	-	-	-	204.35	204.35
Disputed							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	251.63	251.63
Total	2,156.22	1,408.95	39.45	0.25	-	455.98	4,060.86

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Trade Receivables ageing schedule:		Outstanding for following periods from due date of payment						Total
As at March 31, 2024		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed								
	Considered good	1,560.90	1,104.27	6.63	8.85	-	92.55	2,773.20
	Which have significant increase in credit risk	-	-	-	-	-	-	-
	Credit impaired	-	-	-	-	-	190.27	190.27
Disputed								
	Considered good	-	-	-	-	-	-	-
	Which have significant increase in credit risk	-	-	-	-	-	-	-
	Credit impaired	-	-	-	-	-	271.14	271.14
Total		1,560.90	1,104.27	6.63	8.85	-	553.96	3,234.61

'11' Cash and Cash Equivalents

Accounting Policy:

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less for the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Balance with Banks:		
- In Current Accounts	7.59	3.15
- Cash on hand	3.60	5.39
	11.19	8.54

'12' Other Bank Balances

Earmarked balances with banks		
Unpaid Dividend Account	40.74	40.11
Fixed Deposit Account (maturity within one year) *	6.46	4.97
Fixed Deposit Account (Pledged with Sales Tax Department)	2.69	2.69
(*Pledged as Margin with Bank against Bank Guarantee)	49.89	47.77

'13' Other Current Financial Assets

(Unsecured, Considered Good)		
Subsidy Receivable	183.35	183.35
Interest Accrued	5.06	4.21
	188.41	187.56

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

'14' Current Tax Assets (Net)

Accounting Policy:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- Has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Advance Current Tax (Net of Provision)	498.71	474.30
	498.71	474.30

'15' Other Current Assets (Other than Capital Advances)

Payment under Protest against disputed statutory demands	446.82	446.82
Indirect taxes recoverable	1,100.79	1,455.66
Export Benefit Receivable	38.39	60.12
Advances Recoverable in Cash or in Kind	102.90	138.42
Prepaid Expenses	45.99	37.82
	1,734.89	2,138.84

'16' Share Capital:

	As at 31st March, 2025	As at 31st March, 2024
Authorised:		
80,00,000 (Previous year 80,00,000) Equity Shares of Rs.10/- each.	800.00	800.00
60,00,000 (Previous year 60,00,000) Unclassified Shares of Rs.10/- each.	600.00	600.00
	1,400.00	1,400.00
Issued:		
72,12,868 (Previous year 72,12,868) Equity Shares of Rs.10/- each	721.29	721.29
	721.29	721.29
Subscribed and Fully Paid-up Shares		
71,89,368 (Previous year 71,89,368) Equity Shares of Rs.10/- each fully paid-up	718.94	718.94
	718.94	718.94

a. Terms and Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, dividend other than interim dividend, is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year:

Equity Shares outstanding at the beginning of the year	7,189,368	7,189,368
Equity Shares allotted during the year	-	-
Equity Shares outstanding at the end of the year	7,189,368	7,189,368

c. Shareholders holding more than 5 percent Equity shares of the Company as per members' register:

Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Sh. Yashwant Kumar Daga	997,878	13.88	990,444	13.78
M/s. Mangalam Engineering Projects Limited	869,429	12.09	869,429	12.09
M/s. Contransys Private Limited	402,100	5.59	402,100	5.59
M/s. Jalpaiguri Holdings Private Limited	400,070	5.56	400,070	5.56

d. Details of Shareholding of Promoters:

Shares held by promoters at the end of the year	As at March 31, 2025			As at March 31, 2024		
	Number of shares	% of shares	% increase / (decrease) during the year	Number of shares	% of shares	% increase / (decrease) during the year
Sh. Yashwant Kumar Daga	997,878	13.88	0.75	990,444	13.78	0.39
Smt. Asha Devi Daga	428	0.01	No Change	428	0.01	No Change
Pradeep Kumar Daga (HUF)	150,934	2.10	No Change	150,934	2.10	No Change
Pradeep Kumar Daga as partner in Banshi Dhar Daga & Co.	103,805	1.44	No Change	103,805	1.44	No Change
Smt. Nandini Daga	299,509	4.17	2.91	291,047	4.05	No Change
Sh. Shantanu Daga	29,615	0.41	No Change	29,615	0.41	No Change
M/s. Manglam Engineering Projects Limited	869,429	12.09	No Change	869,429	12.09	No Change
M/s. Contransys Private Limited	402,100	5.59	No Change	402,100	5.59	No Change
M/s. Jalpaiguri Holding Private Limited	400,070	5.56	No Change	400,070	5.56	No Change
M/s. Coplama Products Private limited	49,500	0.69	No Change	49,500	0.69	No Change

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

'17' Other Equity

	As at 31st March, 2025	As at 31st March, 2024
(i) Capital Reserve		
Balance as per last financial statements	1.17	1.17
(ii) Securities Premium		
Balance as per last financial statements	217.81	217.81
(iii) General Reserve		
Balance at the beginning of the year	2,809.79	2,809.79
(iv) Retained earnings		
Balance at the beginning of the year	19,797.05	19,807.35
Add: Other Comprehensive income (including tax thereon)		
Remeasurement of Defined Benefit Plan	22.37	39.09
Profit for the year	(1,019.01)	130.34
Total	18,800.41	19,976.78
Less: Annual Dividend	35.95	179.73
Total	18,764.46	19,797.05
Total (i to iv)	21,793.23	22,825.82

Nature and purpose of other reserves/ other equity

Securities Premium represents the amount received in excess of par value of equity share and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve represents appropriation of a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to shareholders as per the provisions of the Companies Act, 2013.

Capital reserve represents forfeited amount of Equity Share Capital and can be utilised in accordance with the provision of the Companies Act 2013

Retained Earnings represents profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

'18' Lease Liabilities

Accounting Policy:

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re measured by discounting the revised lease payments using a revised discount rate.

	As at 31st March, 2025	As at 31st March, 2024
Lease obligations	-	100.89
	-	100.89
Current Maturity of Lease liabilities (Refer Note No. 22)	-	(22.76)
	-	78.13
The Company terminated lease agreement during the year as per which lease liability is also derecognised. Refer Note 39(f)		

'19' Non-Current Provisions

Accounting Policy:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Provision for Employee Benefits		
Leave Benefits	171.95	162.99
	171.95	162.99

'20' Deferred Tax Liabilities (Net)

Accounting Policy:

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred Tax Assets	As at 31st March, 2025	As at 31st March, 2024
Provision for Employees Benefit	122.99	113.83
Other Timing Differences	442.22	462.23
On Account of Business Loss	392.52	-
(A)	957.73	576.06
Deferred Tax Liability on account of:		
Deferred Tax Liabilities on account of:		
Depreciation & Amortisation	1,830.45	1,779.11
(B)	1,830.45	1,779.11
Deferred Tax Liabilities/ (Assets) Net (B-A)	872.72	1,203.05

A. Movement in deferred Tax balances

	As at 31st March, 2024	Recognized in Profit & Loss	Recognized in OCI	As at 31st March, 2025
Deferred Tax Assets				
Provision for Employees Benefit	113.83	16.68	(7.52)	122.99
Other Timing Differences	462.23	(20.01)	-	442.22
On Account of Business Loss		392.52		392.52
Sub- Total (a)	576.06	389.20	(7.52)	957.73
Deferred Tax Liabilities				

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Impact of difference in depreciation/amortization on Property, plant and equipment and Right of Use in tax accounts and depreciation/amortization for financial reporting	1,779.11	51.34	-	1830.45
Sub- Total (b)	1,779.11	51.34	-	1,830.45
Net Deferred Tax Liability (b)-(a)	1,203.05	(337.86)	7.52	872.72

	As at 31st March, 2023	Recognized in Profit & Loss	Recognized in OCI	As at 31st March, 2024
Deferred Tax Assets				
Provision for Employees Benefits	109.22	17.76	(13.15)	113.83
Other Timing Differences	459.11	3.12	-	462.23
Sub- Total (a)	568.33	20.88	(13.15)	576.06
Deferred Tax Liabilities				
Impact of difference in depreciation/amortization on Property, plant and equipment and Right of use in tax accounts and depreciation/amortization for financial reporting	1,798.62	(19.51)	-	1,779.11
Sub- Total (b)	1,798.62	(19.51)	-	1,779.11
Net Deferred Tax Liability (b)-(a)	1,230.29	(40.39)	13.15	1,203.05

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31st March, 2025			For the year ended 31st March, 2024		
	Before Tax	Tax (Expense)/ Income	Net Of Tax	Before Tax	Tax (Expense)/ Income	Net Of Tax
Remeasurements of defined benefit liability	29.89	(7.52)	22.37	52.24	(13.15)	39.09
	29.89	(7.52)	22.37	52.24	(13.15)	39.09

C. Reconciliation of Income Tax Expense

	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit before tax from continuing operations	(1,396.92)	204.95
Tax using the Company's domestic tax rate @ 25.168%	(351.58)	51.58
Tax effect of:		
Non-deductible expenses	17.85	20.64
Others	(4.13)	2.39
Tax/Adjustments related to earlier years	(40.05)	-
Income tax expenses reported in the statement of profit and loss	(377.91)	74.61

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

'21' Short-term Borrowings

A. Secured

Secured	As at 31st March, 2025	As at 31st March, 2024
Loan repayable on demand		
-From Bank (Cash Credit)	3,680.87	4,293.33
	3,680.87	4,293.33

Securities: -

Primary: Exclusive Hypothecation 1st charge on the entire current assets of company (both present & future) comprising stock of raw materials, stock in process, finished goods, stores, receivables etc. including the goods in transit and all other miscellaneous current assets, and receivables at all units of the Company and Bills drawn by the company and submitted to the Bank for discounting.

Collateral:

- Exclusive 1st charge by way of Hypothecation of entire moveable fixed assets of the borrower including plant and machineries, equipment, vehicles, and other moveable fixed assets both present and future of the Company at Guna and Baddi units.
- Exclusive 1st equitable mortgage charge over land and building in the name of the company situated at Guna, Madhya Pradesh and Baddi, Himachal Pradesh

Cash Credits is repayable on demand and carry an interest rate of 1.30% above MCLR (Linked to 6 months MCLR) which is 8.90% p.a. Effective rate being 10.20% p.a. as per the Sanction Letter.

Summary of reconciliation and reasons of material discrepancies between quarterly returns or statements of stock & debtors filed by the Company with bank during 2024-25, wherever applicable;

Quarter	Name of Bank	Particular of security Provided	Amount as per Books of Accounts	Amount as reported in quarterly statement/return	Amount of difference	Reason for Material Difference
June'24	State Bank of India	Stock & Debtors	13,362.48	13,220.46	142.02	Difference in value due to change arised on completion of limited review.
September'24	State Bank of India	Stock & Debtors	13,357.38	13,224.81	132.57	
December'24	State Bank of India	Stock & Debtors	12,787.19	12,677.72	109.47	
March'25	State Bank of India	Stock & Debtors	12,838.33	12,882.40	(44.07)	Difference in value due to change arised on completion of audit

(b) Summary of reconciliation and reasons of material discrepancies between quarterly returns or statements of stock & debtors filed by the Company with bank during 2023-24;

Quarter	Name of Bank	Particular of security Provided	Amount as per Books of Accounts	Amount as reported in quarterly statement/return	Amount of difference	Reason for Material Difference
June'24	State Bank of India	Stock & Debtors	13,669.71	13,571.10	98.61	Difference in value due to change arised on completion of limited review.
September'24	State Bank of India	Stock & Debtors	14,200.45	14,083.94	116.51	
December'24	State Bank of India	Stock & Debtors	11,877.91	11,828.70	49.21	
March'25	State Bank of India	Stock & Debtors	13,390.30	13,268.32	121.98	Difference in value due to change arised on completion of audit

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

'22' Current Lease Liabilities

Lease Obligations (Refer Note No. 18)	-	22.76
	-	22.76

'23' Trade Payables

Trade Payables		
For Goods and Services		
a) total outstanding dues of micro and small enterprises	96.70	60.99
b) total outstanding dues of creditors other than micro and small enterprises	3,270.37	3,230.79
	3,367.07	3,291.78

'23.1' Based on the information available the Company has identified certain vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a. (i)	Principal amount remaining unpaid to any supplier at the end of Financial Year	96.70	60.99
a. (ii)	Interest due on principle amount remaining unpaid to any supplier at the end of Financial Year	-	-
b.	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-
c.	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d.	the amount of interest accrued and remaining unpaid during the accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

'23.2' Trade payables ageing schedule

Outstanding for following periods from due date of payment						
As at March 31, 2025	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	96.70	-	-	-	-	96.70
ii) Others	1,027.24	2,181.48	27.32	2.43	31.90	3,270.37
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
Total	1,123.94	2,181.48	27.32	2.43	31.90	3,367.07

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Outstanding for following periods from due date of payment						
As at March 31, 2024	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	61.07	-	-	-	-	61.07
ii) Others	665.33	2,528.30	4.15	7.18	25.75	3,230.71
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
Total	726.40	2,528.30	4.15	7.18	25.75	3,291.78

'24' Other Financial Liabilities

Unpaid Dividends		40.74	40.11
Security Deposits		24.09	11.39
Statutory Dues		114.23	120.13
Directors' Commission		-	9.00
Employees liabilities		966.04	923.13
		1,145.10	1,103.76

'25' Other Current Liabilities

Customers' Credit Balances and Advances against orders		122.12	248.16
		122.12	248.16

'26' Short Term Provisions

Provision for Statutory Disputed Matters (Refer Note 26.1)		1,063.15	1,063.15
Provision for Employee Benefits #		316.71	289.28
		1,379.86	1,352.43
# Includes Gratuity benefit (Refer Note 41)			

'26.1' Movement of Provision for Statutory Disputed Matters

Opening Balance		1,063.15	1,063.15
Addition during the year		-	-
Paid during the year		-	-
Closing balance		1,063.15	1,063.15

'27' Current Tax Liabilities (Net)

Current Tax Payable (Net of Advances)		-	-
		-	-

'28' Revenue from Operations:

Accounting Policy:

- a) The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

Performance Obligation is achieved when:

- i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) the amount of revenue can be measured reliably;
- iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Shipping and handling amounts invoiced to customers are included in revenue and the related shipping and handling costs incurred are included in freight and forwarding expenses when the Company is acting as principal in the shipping and handling arrangement. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice. Sales exclude Goods and Service Tax.

- b) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.
- c) Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

Sale of Manufactured goods:		
Man Made Synthetic Yarn *	52,183.40	46,790.07
Other Operating Revenue (including export incentives)	223.26	307.70
Revenue from Operations (Net)	52,406.66	47,097.77
* Sales includes Export Sales of Rs.4649.18 (Previous year Rs.5870.08)		

(A) Reconciliation of contract price vis a vis revenue recognised in the statement of profit and loss is as follows:

Particulars		
Contract Price		
(i) Sales of Man-Made Synthetic Yarn	52,514.76	47,021.30
(ii) other operating revenue	223.26	307.70
Adjustments:		
Discount/rebate/ incentives	331.36	231.23
Revenue recognised in statement of profit and loss	52,406.66	47,097.77

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

(B) Classification of revenue on basis of timing of revenue recognition

Particulars		
(i) At point of time	52,406.66	47,097.77
(ii) Over the time	-	-

(C) For Contract assets and balances refer note No. 10)

Particulars		
(i) Trade receivables	4,060.86	3,234.61
Less: provision for loss allowances	456.03	461.41
	3,604.83	2,773.20

(D) For Contract Liability against which sales will be made

Particulars		
(i) Advance from and credit balance of customers (Refer Note No. 25)	122.12	248.16

(E) Revenue from Contracts with Customers disaggregated based on geography

Particulars		
In India	47,757.48	41,227.69
Outside India	4,649.18	5,870.08
	52,406.66	47,097.77

'29' Other Income:

Interest Income	136.02	141.97
Interest on Income Tax Refund	5.51	-
Scrap Sales	72.81	79.57
Dividend on Non-Current Investment	0.38	0.38
Miscellaneous Income	5.57	4.71
Profit (Loss) on Sale/Discard of Property, Plant and Equipment (Net)	(26.50)	51.66
Net Gain on Termination of Lease	27.94	-
Reversal of Provision for Loss Allowance (Net)	5.39	-
Sundry Credit Balances Written Back	2.61	1.74
	229.73	280.03

It includes profit on disposal of ROU Asset amounting to Rs.27.94 lakhs. (Refer note 39(f))

'30' Cost of Materials Consumed:

Man Made Fibres *	31,207.56	27,194.74
Dyes & Chemicals	938.23	906.65
	32,145.79	28,101.39

*Cost of Materials Consumed includes Man Made fibres destroyed by fire amounting Rs. 13.84 lakhs in the factory of Guna Unit.

'31' Changes in Inventories of Finished Goods, Work-in-Progress and Waste

Closing Inventories		
Work-in-Progress	999.23	757.17

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Finished Goods	5,741.49	7,487.31
Waste	16.54	3.37
Total (A)	6,757.26	8,247.85
Opening Inventories		
Work-in-Progress	757.17	987.80
Finished Goods	7,487.31	6,441.19
Waste	3.37	6.21
Total (B)	8,247.85	7,435.20
Total (B-A)	1,490.59	(812.65)

'32' Employee Benefit Expense

Salaries, Wages and Bonus	6,517.04	6,441.46
Gratuity	194.69	151.79
Contribution to Provident and Other Funds	513.15	512.71
Staff Welfare	163.45	166.21
	7,388.33	7,272.17

'33' Finance Costs

Interest*	355.24	367.18
Interest on Lease Obligations	7.47	10.77
Other Borrowing Costs	13.82	13.70
	376.53	391.65

*Interest includes Rs. Nil (Previous Year Rs. 3.83) in respect of Income Tax.

'34' Depreciation and Amortization Expense

On Tangible Assets	1,735.83	1,647.36
On Intangible Assets	1.72	2.02
On Right of Use Assets	17.51	20.82
	1,755.06	1,670.20

'34 (a) Impairment Loss

On Tangible Assets	-	220.59
	-	220.59

'35' Other Expenses

Consumption of Stores & Spares *	1,942.33	1,842.60
Consumption of Packing Materials	829.59	845.68
Job Charges	245.86	223.66
Power & Fuel	5,105.54	4,676.02
Rent	60.43	64.31
Insurance	55.33	63.77
Rates & Taxes	22.27	37.26
Net loss on Foreign Currency Transactions and Translation	(1.65)	15.50

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Repair and Maintenance		
Buildings	6.71	23.73
Machinery	164.64	120.06
Freight & Other selling expenses	1,868.45	1,804.04
Auditor's Remuneration		
As Auditor	11.00	9.00
For Limited Review	2.70	2.25
For Certification and Other Matters	0.60	0.60
Reimbursement of Expenses	0.90	1.13
Cost Audit Fee	0.72	0.72
Commission to Directors	-	10.00
Sundry balance written off	0.28	11.53
Corporate Social Responsibility (CSR) Expenses	70.92	81.00
Donation	-	1.00
Miscellaneous	490.39	495.64
	10,877.01	10,329.50

*Includes on account of written down of stores and spare parts by Rs. 15.96 lakhs.

'36' Current Tax

Accounting Policy:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- Has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current Tax for the year	-	115.00
	-	115.00
Income Tax related to earlier year	(40.05)	-
Total Current Tax	(40.05)	115.00

'37' Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year. The weighted average number of equities shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equities shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

EPS is computed as below:		
Total profit for the year	(1,019.01)	130.34
Weighted average number of equity shares of Rs. 10/- each	7,189,368	7,189,368
EPS - Basic and Diluted (per share in Rs.)	(14.17)	1.81

38 Contingent liabilities, contingent assets and commitments

	As at 31st March, 2025	As at 31st March, 2024	
Accounting Policy:			
A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.			
A. Contingent liabilities (not provided for) in respect of:			
1.	Demand for Excise duty, being contested by the Company	2.34	2.34
2.	Demand for Income Tax, being contested by the Company (Amount deposited Rs. 39.47, Previous year Rs. 25.06)	200.02	200.02
3.	Legal Cases (Employees), being contested by the Company	10.44	10.44
4.	Demand for Cess on own generation of electricity, being contested by the Company	44.89	44.89
5.	Demand for Discrepancies in GST Return 17-18, being contested by the Company	1.58	-
The management believes that the Company has a strong chance of favourable decision in above cases, hence no provision has been considered necessary.			
6.	The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.		
B. Commitments			
1.	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances] not provided for	3,396.46	4,104.82
2.	The Company has availed certain government subsidies. As per the term and conditions, the Company has to continue production for specified number of years and others conditions failing which amount of subsidies availed along with interest penalty etc. will have to be refunded.	-	

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

39 Leases

As a Lessee

Due to adoption of Ind AS 116 following assets has been classified as Right of Use Assets

Right of Use Assets Category	Net Carrying Amount As at 31st March, 2024	Addition	Depreciation	Adjustment on account of Termination	Net Carrying Amount As at 31st March, 2025
Leasehold Land	54.97	-	0.97	-	54.00
Leasehold Property (Building)	71.09	-	16.54	(54.55)	-
Total	126.06	-	17.51	(54.55)	54.00

(A) There are no variable lease payments for the year ended March 31, 2025. (Previous year Nil)

Total cash outflow on leases for the year ended March 31, 2025 was ₹ 25.84 Lakhs. (Previous year ₹ 29.67 Lakhs)

(B) Out of which interest expense (outflow) on lease for the year ended March 31, 2025 was ₹ 7.47 Lakhs. (Previous year ₹ 10.77 Lakhs)

(C) Lease Liabilities

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Non- Current	Current	Non- Current	Current
Lease liabilities against ROU assets	-	-	78.13	22.76

(D) The maturity profile of the cash outflow of the lease liabilities is as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
0-1 year	-	31.52
1-3 years	-	68.24
3-5 Years	-	19.90
More Than 5 Years	-	-
Total	-	119.66

(E) The Company has also recognize expenses of short-term leases on a straight-line basis over the lease term. The expenses related to short-term leases are Rs.60.43 Lakhs for the year ended March 31, 2025 (Previous year ₹ 64.31 Lakhs).

(F) During the financial year ended March 31, 2025, the Company terminated a lease arrangement on 31st January, 2025, related to Lease Property (Building), originally contracted for a period ending 30.09.27.

As on termination date:

The net carrying amount of Right-of-Use (ROU) asset and the corresponding lease liability is derecognized. As a result, a net gain of Rs. 27.94 is recognized in the Statement of Profit and Loss under 'Other Income'.

40 Foreign exchange exposures outstanding at the year-end:

(a) Foreign Currency exposure not hedged by derivative instrument or otherwise:			
i.	Receivable	228.91	-
ii.	Payable	-	105.29

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

41 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund Rs.513.15 (Previous year Rs. 512.71).

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service subject to maximum limit of Rs. 20 Lakhs. Gratuity liability is being contributed to the Group Gratuity-cum-Life Assurance Cash Accumulation Policy administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31st March, 2025	31st March, 2024
Net defined benefit liability / (asset)	263.52	197.55
Liability for Gratuity		
Current	263.52	197.55

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	31st March, 2025			31st March, 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1st April	1,132.37	934.82	197.55	1,101.72	905.07	196.65
Included in profit or loss						
Service costs	180.43	-	180.43	153.59	-	153.59
Interest cost / (income)	81.75	(67.49)	14.26	81.53	(66.98)	14.55
	262.18	(67.49)	194.69	235.12	(66.98)	168.14

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Included in OCI						
Premeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- financial assumptions	31.00	-	31.00	16.11	-	16.11
- experience adjustment	(60.50)	-	(60.50)	(86.61)	-	(86.61)
- on plan assets		(0.40)	(0.40)		18.26	18.26
	(29.50)	(0.40)	(29.90)	(70.50)	18.26	(52.24)
Other						
Contributions paid by the employer		98.83	(98.83)		115.00	(115.00)
Benefits paid	(150.73)	(150.73)	-	(133.96)	(133.96)	-
	(150.73)	(51.90)	(98.83)	(133.96)	(18.96)	(115.00)
Balance as at 31st March 2025	1,214.32	950.81	263.51	1,132.38	934.83	197.55

C. Plan assets

	31st March, 2025	31st March, 2024
Fund managed by insurer	100%	100%

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
Discount rate	6.93%	7.22%
Expected rate of future salary increase	6.00%	6.00%
Mortality	100% of IALM (2012-14)	
Assumptions regarding future mortality have been based on published statistics and mortality tables.		

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.				
Particulars	31st March, 2025		31st March, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(54.14)	59.65	(45.18)	49.62
Expected rate of future salary increase (0.50% movement)	59.85	(54.80)	49.61	(45.52)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow –

- Salary Increases- Actual Salary increases will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment Risk: If Plan is funded then asset liability mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

42 Related parties

A. Related parties and their relationships

i. Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Sh. Pradip Kumar Daga	Chairman Emeritus
Sh. Yashwant Kumar Daga	Chairman and Managing Director (Son of Shri P.K Daga)
Smt. Asha Devi Daga	Director (KMP under Ind-AS) (Wife of Shri. P.K Daga) (till 30th August 2024)
Sh. Shantanu Daga	Director (KMP under Ind-AS) (Son of Shri Yashwant Kumar Daga)
Sh. Pradeep Kumar Drolia	Independent Director (KMP under Ind-AS) (till 30th September 2024)
Sh. Anand Prasad Agarwalla	Independent Director (KMP under Ind-AS) (till 5th September 2024)
Sh. Vivek Chiraniya	Independent Director (KMP under Ind-AS) (till 31st August 2024)
Sh. Sharad Agarwal	Independent Director (KMP under Ind-AS) (till 15th November 2024)
Sh. Hussan Lal	Independent Director (KMP under Ind-AS) (with effect from 6th January 2025)
Smt. Sonu Jain	Independent Director (KMP under Ind-AS) (with effect from 6th January 2025)
Sh. Sanjiv Banerji	Independent Director (KMP under Ind-AS) (with effect from 13th November 2024)
Sh. Shounak Mitra	Independent Director (KMP under Ind-AS) (with effect from 13th November 2024)
Sh. Satya Prakash Sarda	Independent Director (KMP under Ind-AS) (with effect from 30th December 2024)
Sh. Raja Ram Kankani	Whole-Time Director (KMP under Ind-AS) (with effect from 22nd May, 2025)
Sh.Gajendra Singh Rathore	Chief Financial Officer (KMP under Companies Act, 2013) (with effect from 1st February 2025)
Sh. Punam Chand Sharma	Chief Financial Officer (KMP under Companies Act, 2013) (till 31st January 2025)
Smt. Puneeta Arora	Company Secretary (KMP under Companies Act, 2013)

ii. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Deepak Industries Limited
 Contransys Private Limited

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Coplama Products Private Limited
 Bansidhar Daga Foundation
 Daga Seva Nidhi
 Merlin Holdings Private Limited

B. Transactions with the above in the ordinary course of business

a) Payments to Key Managerial Personnel and their relatives

			For the year ended	
			31st March, 2025	31st March, 2024
Name	Nature	Category		
Sh. Pradip Kumar Daga	- Remuneration #	Short Term Employee Benefits	6.78	163.03
Smt. Asha Devi Daga	- Sitting Fees	Other Transactions	0.22	1.03
	- Commission	Other Transactions	-	1.78
Sh. Shantanu Daga	- Remuneration	Short Term Employee Benefits	-	22.75*
	- Sitting Fees	Other Transactions	1.76	1.03
	- Commission	Other Transactions	-	1.26
Sh. Pradeep Kumar Drolia	- Sitting Fees	Other Transactions	1.29	2.16
	- Commission	Other Transactions	-	1.78
Sh. Anand Prasad Agarwalla	- Sitting Fees	Other Transactions	1.19	2.35
	- Commission	Other Transactions	-	1.79
Sh. Vivek Chiraniya	- Sitting Fees	Other Transactions	1.06	2.23
	- Commission	Other Transactions	-	1.78
Sh. Sharad Agarwal	- Sitting Fees	Other Transactions	0.88	1.03
	- Commission	Other Transactions	-	1.61
Sh. Hussan Lal	- Sitting Fees	Other Transactions	0.44	-
Smt. Sonu Jain	- Sitting Fees	Other Transactions	0.44	-
Sh. Sanjiv Banerji	- Sitting Fees	Other Transactions	1.60	-
Sh. Shounak Mitra	- Sitting Fees	Other Transactions	1.29	-
Sh. Satya Prakash Sarda	- Sitting Fees	Other Transactions	1.03	-
Sh. Raja Ram Kankani	- Remuneration #	Short Term Employee Benefits	56.25**	27.54**
	- Perquisites	Rent Free Accommodation (paid to the party by the company)	6.14	2.69
Sh. Gajendra Singh Rathore	- Remuneration #	Short Term Employee Benefits	13.97**	13.02**
Sh. Punam Chand Sharma	- Remuneration	Short Term Employee Benefits	19.60	22.58
	- Retirement Benefit (Leave Encashment)		3.27	-
Smt. Puneeta Arora	- Remuneration #	Short Term Employee Benefits	16.86	15.05

Above remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

* Above remuneration is inclusive of Gratuity & Leave Encashment.

**This remuneration pertains to whole year.

b) With Enterprises over which Key Management Personnel or his relative are able to exercise significant influence. are as under

- Deepak Industries Limited		
Purchase of Electricity	203.78	169.19
- Contransys Private Limited		
Rent received for premises leased out	3.69	3.51
- Coplama Products Private Limited		
Rent payment	-	0.02
- Merlin Holdings Private Limited		
Rent payment	4.80	3.60

Closing Balance	As at	
	31st March, 2025	31st March, 2024
Payable		
- M/s. Deepak Industries Limited	10.25	14.06
- M/s. Contransys Private Limited (Security Deposit)	0.20	0.20
- Sh. Pradip Kumar Daga	-	10.00
- Smt Asha Devi Daga	-	1.60
- Sh. Shantanu Daga	-	1.14
- Sh. Pradeep Kumar Drolia	-	1.61
- Sh. Anand Prasad Agarwalla	-	1.61
-Sh. Vivek Chiraniya	-	1.60
-Sh. Sharad Agarwal	-	1.44
-Sh. Raja Ram Kankani	1.28	3.13
-Sh.Gajendra Singh Rathore	0.66	0.64
-Sh. Punam Chand Sharma*	20.00	0.50
-Smt. Puneeta Arora	0.71	0.81
Receivable		
- M/s. Contransys Private Limited (Rent)	0.35	0.32
*Paid from the Gratuity Fund.		

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

43 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at 31st March, 2025		As at 31st March, 2024	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Trade receivables	-	3,604.83	-	2,773.20
Cash and cash equivalents	-	11.19	-	8.54
Bank balances other than above	-	49.89	-	47.77
Investment	-	1.90	-	1.90
Others	-	-	-	-
Non-Current	-	438.46	-	478.16
Current	-	188.41	-	187.56
	-	4,294.67	-	3,497.13
Financial liabilities				
Long Term Borrowings	-	-	-	-
Short terms borrowings	-	3,680.87	-	4,293.33
Trade payables	-	3,367.07	-	3,291.78
Lease Liability	-	-	-	100.89
Other current financial liabilities	-	1,145.10	-	1,103.76
	-	8,193.04	-	8,789.76

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

There are no financial assets or financial liabilities which are required to measure at fair value using recurring fair value measurements.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	As at 31st March, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
	-	-	-	-
	As at 31st March, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
	-	-	-	-

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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

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

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

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31st March, 2025		As at 31st March, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	3,604.83	3,604.83	2,773.20	2,773.20
Cash and cash equivalents	11.19	11.19	8.54	8.54
Bank balances other than above	49.89	49.89	47.77	47.77
Investment	1.90	1.90	1.90	1.90
Others	-	-	-	-
Non-Current	438.46	438.46	478.16	478.16
Current	188.41	188.41	187.56	187.56
	4,294.67	4,294.67	3,497.13	3,497.13
Financial liabilities				
Short terms borrowings	3,680.87	3,680.87	4,293.33	4,293.33
Trade payables	3,367.07	3,367.07	3,291.78	3,291.78
Lease Liability	-	-	100.89	100.89
Other current financial liabilities	1,145.10	1,145.1	1,103.76	1,103.76
	8,193.04	8,193.04	8,789.76	8,789.76

The management considers that carrying amount of financial assets and financial liabilities are at amortised cost which approximates to their fair value.

II. Financial risk management

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

- credit risk;
- liquidity risk;
- market risk; and
- currency risk

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

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

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company management has established a credit policy under which each new customer is analyzed individually for creditworthiness as per the Company's standard payment and delivery terms and conditions. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically.

More than 60 % of the Company's customers have been transacting with the Company for over four years. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

The carrying amount net of credit loss allowances of trade receivables is Rs. 3604.83 (31st March, 2024 – Rs. 2773.20)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Ageing of trade receivables are as under: -

As at 31.03.2025							
Particulars	Not Due	Less than 6 months	6-12 months	12-24 months	24-36 months	More than 36 months	Total
Gross Debtors	2156.22	1,408.95	39.45	0.26	-	455.98	4,060.86
Historical Loss Rates	0.00%	0.01%	0.23%	0.47%		100.00%	
Loss Allowance	-	0.01	0.03	0.001	-	455.98	456.03
As at 31.03.2024							
Gross Debtors	1560.90	1,104.27	6.63	8.85	-	553.96	3,234.61
Historical Loss Rates						83.30%	
Loss Allowance	-	-	-	-	-	461.41	461.41

Reconciliation of loss allowance provision – Trade receivables

	31st March, 2025	31st March, 2024
Opening balance	461.41	461.41
Add: Provision made during the year	29.89	-
Less: Reversal of Provision for Loss Allowance (Net)	(35.27)	-
Closing balance	456.03	461.41

ii. Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through caproate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at	
	31st March, 2025	31st March, 2024
Variable rate		
Expiring within one year (bank overdraft and other facilities)	3,811.96	3,224.50
Expiring beyond one year (bank loans)	-	-
	3,811.96	3,224.50

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Indian rupee and have an average maturity within a year.

(b) Maturities of financial liabilities

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

	Carrying Amounts 31st March, 2025	Contractual cash flows				
		Total	0- 1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	-	-	-	-	-	-
Short term borrowings	3,680.87	3,680.87	3,680.87	-	-	-
Trade payables	3,367.07	3,367.07	3,367.07	-	-	-
Lease Liability (terminated during the year)	-	-	-	-	-	-
Other current financial liabilities	1,145.10	1,145.10	1,145.10	-	-	-
Total non-derivative liabilities	8,193.04	8,193.04	8,193.04	-	-	-
	Carrying Amounts 31st March, 2024	Contractual cash flows				
		Total	0- 1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	-	-	-	-	-	-
Short term borrowings	4,293.33	4,293.33	4,293.33	-	-	-
Trade payables	3,291.78	3,291.78	3,291.78	-	-	-
Lease Liability	100.89	100.89	22.76	78.13	-	-
Other current financial liabilities	1,103.76	1,103.76	1,103.76	-	-	-
Total non-derivative liabilities	8,789.76	8,789.76	8,711.63	78.13	-	-

Provision against disputed Statutory dues not considered above as outflow depends upon conclusion of legal proceedings

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company generally uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

iii (a). Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables, if any, are partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (amounts in lakhs)

	As at 31st March, 2025		As at 31st March, 2024	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	228.91	-	-	-
Other payables	-	-	105.29	-
Net statement of financial position exposure	228.91	-	105.29	-

The following significant exchange rates have been applied

	Average Rates		Yearend spot rates	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
USD 1	84.57	82.79	85.58	83.37
EUR 1	90.76	89.80	92.32	90.22

iii. (b) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2025 and 31st March, 2024, the Company's borrowings at variable rate were denominated in Indian Rupees and US Dollars.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any hedge to mitigate the interest rate risk and movement in foreign currency.

Exposure to interest rate risk

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

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

	Nominal Amount	
	31st March, 2025	31st March, 2024
Fixed-rate instruments		
Financial assets	447.61	485.81
Financial liabilities	-	-
	447.61	485.81
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	3,680.87	4,293.33
	3,680.87	4,293.33

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31st March, 2025				
Variable-rate instruments	(18.40)	18.40	(13.77)	13.77
Cash flow sensitivity	(18.40)	18.40	(13.77)	13.77
31st March, 2024				
Variable-rate instruments	(21.47)	21.47	(16.06)	16.06
Cash flow sensitivity	(21.47)	21.47	(16.06)	16.06

Fair value sensitivity analysis for fixed-rate instruments

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

Note 44 Disclosure of Ratios and their Elements as per the requirements of Schedule III to Companies Act 2013

a. Current Ratio = Current Assets divided by Current liabilities

	31st March, 2025	31st March, 2024
Current Assets	14,881.93	15,789.27
Current Liabilities	9,695.02	10,312.22
Ratio (Times)	1.54	1.53
% Change from previous year	0.25%	-5.07%
As at March 31, 2025: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		
As at March 31, 2024: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

- b. (i) Debt Equity ratio [Total debt divided by total equity, where total debt refers to sum of current and non-current borrowings]

	31st March, 2025	31st March, 2024
Total debt*	3,680.87	4,293.33
Total equity	22,512.17	23,544.76
Ratio (Times)	0.16	0.18
% Change from previous year	-10.33%	-11.08%
As at March 31, 2025: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		
As at March 31, 2024: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		

- c. Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

	31st March, 2025	31st March, 2024
Earnings available for Debt Service (A) [Net Profit after Tax + Profit on Sale of Property, Plant & Equipment - Net Gain on Termination of Lease + Non- Cash Operating Expense]	1,111.14	2,361.12
Total Debt (B)	4,057.40	4,703.35
Ratio (Times) (A/B)	0.27	0.50
% Change from previous year	-45.45%	-61.68%
As at March 31, 2025: Reason for change more than 25%: Debt service coverage ratio has decreased due to decrease in earning.		
As at March 31, 2024: Reason for change more than 25%: Debt service coverage ratio has decreased due to decrease in earning.		

- d. Return on Equity Ratio / Return on Investment Ratio [Profit after tax divided by Average Equity]

	31st March, 2025	31st March, 2024
Net profit after tax	(1,019.01)	130.34
Average equity	23,028.46	23,549.91
Ratio (%)	-4.42%	0.55%
% Change from previous year	-899.34%	-97.01%
As at March 31, 2025: Reason for change more than 25%: Return on Equity Ratio/Return on Investment ratio decreased due to loss.		
As at March 31, 2024: Reason for change more than 25%: Return on Equity Ratio/Return on Investment ratio decreased due to decreased in profit		

- e. Inventory Turnover Ratio [Sales divided by Average annual inventory]

	31st March, 2025	31st March, 2024
Sales	52,406.66	47,097.77
Average inventory	9,476.54	9,998.48
Ratio (no. of times)	5.53	4.71
% Change from previous year	17.41%	-24.63%

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

As at March 31, 2025: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

As at March 31, 2024: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

f. Trade Receivables turnover ratio [Sales divided by Average trade receivables, where Sales is Revenue from Operations]

	31st March, 2025	31st March, 2024
Sales	52,406.66	47,097.77
Average Trade Receivables	3,189.02	2,870.24
Ratio (no. of times)	16.43	16.41
% Change from previous year	0.14%	8.19%
As at March 31, 2025: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		
As at March 31, 2024 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		

g. Trade payables turnover ratio [Purchases divided by Average trade payables]

	31st March, 2025	31st March, 2024
Purchases of raw materials and packing materials	32,767.50	28,247.75
Purchases of Stores & Spares	3,043.69	2,983.53
Total Purchases	35,811.19	31,231.28
Average Trade Payables	3,329.43	2,848.36
Cost of Goods sold	52,406.66	47,097.77
Ratio (no. of times)	10.76	10.96
% Change from previous year	-1.86%	-35.39%
As at March 31, 2025: Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		
As at March 31, 2024: Reason for change more than 25%: Due to decrease in total purchase and increase in average trade payable		

h. Net Capital Turnover Ratio [Sales divided by Working capital, where Working Capital is Current assets minus Current liabilities]

	31st March, 2025	31st March, 2024
Sales (refer (f) above)	52,406.66	47,097.77
Working Capital	5,186.91	5,477.05
Ratio (no. of times)	10.10	8.60
% Change from previous year	17.50%	-11.27%
As at March 31, 2025 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		
As at March 31, 2024 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

i. Net profit ratio [Profit after tax divided by Sales]

	31st March, 2025	31st March, 2024
Profit After Tax	(1,019.01)	130.34
Sales (refer (f) above)	52,406.66	47,097.77
Ratio (%)	-1.94%	0.28%
% Change from previous year	-802.61%	-96.12%
As at March 31, 2025 - Reason for change more than 25%: Net profit ratio decreased due to loss		
As at March 31, 2024 - Reason for change more than 25%: Due to decrease in profit		

j. Return on Capital employed (pre cash) =Earnings before interest and taxes (EBIT) divided by Average Capital Employed

	31st March, 2025	31st March, 2024
Profit before tax (A)	(1,396.92)	204.95
Finance Costs (B)	376.53	391.65
EBIT (C) = (A)+(B)	(1,020.39)	596.60
Average Capital Employed (D)	28,053.45	29,328.58
Ratio % (C/D)	-3.64%	2.03%
% Change from previous year	-278.81%	-90.56%
As at March 31, 2025- Reason for change more than 25%: Return on Capital employed decreased due to loss		
As at March 31, 2024- Reason for change more than 25%: Due to decrease in EBIT and increase in average capital employed		

k. Return on Investment=Net investment Income divided by Cost of investment

	31st March, 2025	31st March, 2024
Net Investment Income (A)	0.38	0.38
Cost of Investment (B)	1.90	1.90
Ratio % (A/B)	20.00%	20.00%
% Change from previous year	0.00%	0.00%
As at March 31, 2025 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		
As at March 31, 2024 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%		

45 Balances of certain trade receivables and trade payables are in the process of confirmation and/or reconciliation.

46 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Two customers individually account (one customer in prev. year) for more than 10% of the revenue in the year ended 31st March, 2025 and 31st March, 2024.

47 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company:

Particulars	31.03.2025	31.03.2024
Equity Share Capital	718.94	718.94
Other Equity	21,793.23	22,825.82
Total Equity	22,512.17	23,544.76
Non-Current Borrowings	-	-
Current maturities of Non-Current Borrowings	-	-
Current Borrowings	3,680.87	4,293.33
Total Debts	3,680.87	4,293.33

48 CSR Expenditure

The Company undertook Corporate Social responsibility('CSR') programme and activities through a registered under the Income Tax Act,1961.

Particulars	31.03.2025	31.03.2024
Amount required to be spent during the year	-	85.78
Amount spent during the year	70.92	81.00
(Excess) / Shortfall for the year	(70.92)	4.78
Total of previous year shortfall [net]	(2.24)	(7.02)
Excess of earlier previous years adjusted in current year	(1.62)	-
Excess amount spent shall be set off against subsequent years obligation	74.78	2.24
Details of related party transactions such as Contribution to trust controlled by the company	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately		
Nature of CSR activities:		
a) Contribution to PM Cares and State CMRF/AP Disaster Management Authority	-	-
b) Health/Eradicating Hunger/Poverty and malnutrition/Safe Drinking water/Sanitation	17.11	38.00
c) Promoting Education	48.46	43.00
d) Ensuring environmental sustainability Ecological balance/Protection of flora and fauna/Animal welfare	5.35	-
e) Woman Empowerment		
f) Promoting National Sports		

Notes to the financial statements for the year ended 31 March 2025

(All amounts are Rupees in Lakhs, unless otherwise stated)

Reason for shortfall		
a) As at March, 31 2024- No Shortfall	-	-
b) As at March, 31 2024- The Company was in process of identifying prospective project in line with Schedule VII to the Companies Act, 2013	-	-

As the company's net worth or turnover or net profit criteria for applicability of Corporate Social Responsibility (CSR) under section 135(1) is below the threshold limit in the preceding financial year i.e., 2023-24, therefore the company is not statutorily required to incur any expenditure under section 135(5) of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR). However, the company has voluntarily incurred expenditure amounting to Rs. 70.92 lakh towards CSR activities during the year.

49 Dividend

The Board of directors in their meeting held on 22nd May, 2025, have not recommended any dividend.

For the previous year, the Board of directors in their meeting held on 29th May, 2024 have recommended dividend of Rs. 0.50 per equity share aggregating Rs. 39.95 Lakhs for the financial year ended March 31, 2024. The same has been approved by the shareholders in the Annual General Meeting held on 30th August, 2024 and is accounted in the current financial year 2024-25.

50 The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current year classifications.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **Salarpuria & Partners**

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 056485

Place: Kolkata

Date: 22nd May, 2025

Yashwant Kumar Daga

Chairman and Managing Director

DIN: 00040632

Shounak Mitra

Director

DIN: 07762047

Gajendra Singh Rathore

Chief Financial Officer

Puneeta Arora

Company Secretary

FCS:7466



DEEPAK SPINNERS LIMITED

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