

Ref. GTNC/2025-26

Sep 4, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

Dear Sir/Madam,

Sub: Annual Report for FY2024-25

Ref: GTN TEXTILES LIMITED

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the copy of Annual Report for the Financial Year 2024-25 for your kind perusal.

The Annual Report has been uploaded in the Company's website GTN - Annual Report FY 2024-25 and separate emails are being sent today itself i.e September 4, 2025 to Shareholders , by our Registrar & Share Transfer Agents (RTA) M/s Integrated Registry Management Services Private Limited in this regard..

Kindly take the same on record.

Thanking you,
Yours faithfully,
For **GTN TEXTILES LIMITED**

E K Balakrishnan
Company Secretary



GTN TEXTILES LIMITED
CIN: L18101KL2005PLC018062

REGISTERED OFFICE
61/464, 6th Floor, Palal Towers, Ravipuram, MG Road,
Cochin 682016, Kerala, India.
Phone: 91-484-2661900
Email: cs@gtntextiles.com / gtntfin.ho@gtntextiles.com

MARKETING OFFICE
3rd Floor, Palal Towers, Ravipuram, MG Road, Cochin 682016, Kerala, India
Email: mktg.ho@gtntextiles.com

www.gtntextiles.com
ISO 9001:2005 / 14001:2005 Certified

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Annual Report

2024 / 2025



GTN TEXTILES LIMITED

BOARD OF DIRECTORS

Shri. B.K. Patodia (DIN 00003516)	: Chairman & Managing Director (up to 5.8.2025)
Shri. B.L. Singhal (DIN 00006433)	: Non-Executive Independent Director (up to 18.9.2024)
Shri. N.K. Bafna (DIN 00019372)	: Non-Executive Independent Director
Shri. C.K. Gopalakrishnan Nair (DIN 00521840)	: Non-Executive Independent Director
Shri. V.N. Balakrishnan (DIN 08820393)	: Non-Executive Independent Director (up to 5.8.2025)
Smt. Kalpana Mahesh Thakker (DIN 08601866)	: Non-Executive Woman Director
Shri. Umang Patodia (DIN 00003588)	: Non-Executive Director
Shri. E.K. Balakrishnan	: Company Secretary
Shri. M Achuthan	: Chief Financial Officer

CHAIRMAN EMERITUS

Shri. B.K. Patodia
(w.e.f. 6.8.2025)

AUDITORS (STATUTORY)

M/s. L.U. Krishnan & Co.
Chartered Accountants
Chennai

AUDITORS (INTERNAL)

M/s. Verma & Verma,
Chartered Accountants
Ernakulam

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Integrated Registry Management Services
Private Limited
2nd Floor, Kences Towers, No.1, Ramakrishna Street,
T Nagar, Chennai-600 017.
Tel: 044 28140801-803.
E-Mail: csdstd@integratedindia.in

REGISTERED OFFICE

61/464, 6th Floor,
Palal Towers, MG Road,
Ravipuram, Ernakulam-682 016
Kerala State

CORPORATE IDENTITY NUMBER (CIN):

L18101KL2005PLC018062

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NOTICE

NOTICE is hereby given that the **TWENTIETH (20TH)** Annual General Meeting of the Members of **GTN TEXTILES LIMITED** will be held on **Monday, 29th September 2025** at **11.30 A.M.** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Reports of the Board of Directors and the Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Report of the Auditors thereon.
- 2) To appoint Smt. Kalpana Mahesh Thakker, Non-Executive Director (DIN: 08601866), who retires by rotation and being eligible, offers herself for re-appointment

SPECIAL BUSINESS:

- 3) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17(1A) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any, as amended from time to time, Shri N.K. Bafna (DIN: 00019372), aged about 86 years, being eligible as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of consecutive five years from the conclusion of 20th Annual General Meeting of the company and who has consented to act as an Independent Director of the Company and submitted his declaration that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (LODR) Regulations 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 (1) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company for a second

term of consecutive five years from the conclusion of 20th Annual General Meeting till 25th Annual General Meeting of the company."

"RESOLVED FURTHER THAT pursuant to SEBI (LODR) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby accorded to Shri N.K. Bafna (DIN: 00019372) for continuation of the Directorship in the company who has crossed the age of seventy five years on the existing terms and conditions and further for the next consecutive five years effective from the conclusion of 20th Annual General Meeting till 25th Annual General Meeting as an Independent Director of the company."

"RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

- 4) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17(1A) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any, as amended from time to time, Shri. C.K. Gopalakrishnan Nair (DIN: 00521840), aged about 78 years, being eligible as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of consecutive five years from the conclusion of 20th Annual General Meeting till 25th Annual General Meeting of the company and who has consented to act as an Independent Director of the Company and submitted his declaration that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (LODR) Regulations 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom the company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160(1) of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company for a second term of consecutive five years from the conclusion of 20th Annual General Meeting till 25th Annual General Meeting of the company."

NOTICE (Contd...)

“RESOLVED FURTHER THAT pursuant to SEBI (LODR) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby accorded to Shri. C.K. Gopalakrishnan Nair (DIN: 00521840) for continuation of the Directorship in the company who has crossed the age of seventy-five years on the existing terms and conditions and further for the next consecutive five years effective from the conclusion of 20th Annual General Meeting till 25th Annual General Meeting as an Independent Director of the company.”

“RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**..:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to appoint Shri Umang Patodia (holding DIN: 00003588) as Managing Director of the Company, for a period of five years with effect from 6.8.2025, on the terms and conditions including remuneration as are set out and approved by the Nomination & Remuneration Committee and the Board of Directors. The draft remuneration structure placed before this meeting is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and or remuneration and or agreement, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 including any statutory re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri. Umang Patodia.”

“RESOLVED FURTHER THAT specific notice proposing Shri. Umang Patodia’s second appointment as Managing Director pursuant to provisions of Section 203(3) of the Companies Act, 2013 issued to

all Directors of the company then in India and also obtained unanimous consent from all Directors present at the Board meeting.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, the remuneration payable to Shri. Umang Patodia by way of salary, perquisites, commission and other allowance shall not in any event exceed 2% of the net profits of the Company in that financial year.”

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. Umang Patodia, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Act.”

“RESOLVED FURTHER THAT Shri Umang Patodia shall not be liable to retire by rotation.”

AND

“RESOLVED FURTHER THAT the Board of Directors and Company Secretary be and are hereby authorized to take all such steps as may be necessary proper or expedient to give effect to this resolution.”

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on recommendation of Audit Committee of Directors and the Board of Directors, Shri MRL Narasimha, Practicing Company Secretary, (FCS No: 2851, CP No: 799), be and is hereby appointed as Secretarial Auditor of the Company, to hold office for a term of consecutive five years commencing from FY2025-26 to FY2029-30 to undertake Secretarial Audit of the Company, on such remuneration plus applicable taxes, travel and actual out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor from time to time.

NOTICE (Contd...)

RESOLVED FURTHER THAT the Board of Directors and Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (LODR) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 (‘Act’) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and M/s. Patspin India Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s)/ agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / Agreement and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties

or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

- 8) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (LODR) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 (‘Act’) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and M/s. GTN Enterprises Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s)/ agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

NOTICE (Contd...)

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s)/ arrangement(s) /agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects.”

- 9) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (LODR) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 (‘Act’) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or

otherwise) between the Company and M/s. Beekaypee Credit Private Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s)/ agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s)/ arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respects.”

- 10) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (LODR) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 (‘Act’) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company

NOTICE (Contd...)

(hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and M/s. Umang Finance Private Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s)/ contract(s) / arrangement(s)/ agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / Agreement and other ancillary

documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from Powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorized Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

By Order of the Board of Directors

Place : Kochi
Date : 05.08.2025

E.K. Balakrishnan
Company Secretary
Membership No. A7629

NOTICE (Contd...)

NOTES

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022, 10/2022 and 09/2023 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and September 25, 2023, the latest being General Circular No. 09/2024 dated September 19, 2024 respectively, ("MCA Circulars") has allowed conduct of Annual General Meetings ("AGM") by Companies through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility up to September 30, 2025, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and October 3, 2024 ("SEBI Circulars") has provided certain relaxations from compliance with certain provisions of the SEBI Listing Regulations. In compliance with these Circulars, provisions of the Act and the SEBI Listing Regulations, the 20th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 20th AGM shall be the Registered Office of the Company.
2. In terms of the MCA Circulars, physical attendance of members has been dispensed with and therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 20th AGM. However, pursuant to Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting, for participation in the 20th AGM through VC/ OAVM facility and e-Voting during the 20th AGM.
3. In terms of the MCA Circulars and relevant circulars issued by SEBI, the Notice of the 20th AGM and Annual Report for the financial year ended March 31, 2025 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants ("DPs") and is also be available on the website of the Company at www.gtnntextiles.com, on the website of BSE Limited at www.bseindia.com and also on the website of Central Depository Services Limited ("CDSL") at www.evotingindia.com. Since the 20th AGM will be held through VC/ OAVM facility, the Route Map is not annexed in this Notice.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the business under Item Nos. 3 to 10 of the Notice are annexed hereto. The relevant details pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed.
5. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September 2025 to Monday 29th September 2025 (both days inclusive) for the purpose of AGM.
7. In case the shareholder holding shares in physical mode has not registered his/her e-mail address with the Company/RTA/Depositories, he/she may do so by sending a duly signed request letter to M/s. Integrated Registry Management Services Private Limited (IRMSPL) by providing Folio No. and Name of shareholder at 2nd Floor, Kences Towers, No.1, Ramakrishna Street, T Nagar, Chennai-600017, Tel: 044 28140801-803; E-Mail: csdstd@integratedindia.in.
8. In the case of shares held in demat mode, the shareholder may contact the Depository Participant ('DP') and register the e-mail address in the demat account as per the process followed and advised by the DP.
9. Members seeking any information with regard to Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, and relevant documents referred to in the accompanying Notice and in the Explanatory Statements are requested to write to the Company on or before 19th September 2025, through email on cs@gtntextiles.com, quoting their folio number. The same will be replied by the Company suitably.

NOTICE (Contd...)

10. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, on the website of the Company's Registrar and Transfer Agents, IRMSPL at csdstd@integratedindia.in. It may be noted that any service request can be processed only after the folio is KYC Compliant.
11. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
12. Members are advised to avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to IRMSPL. Members holding shares in dematerialized form may contact their respective DP for availing this facility.
13. Members are requested to notify change in address, if any, immediately to M/s. IRMSPL, quoting their folio numbers.
14. The cut-off date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM through e-voting system is Monday, 22nd September 2025 ('Cut-off Date').
15. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice, holds shares as on Cut-off Date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com with a copy marked to the Company on cs@gtntextiles.com. However, if the Member is already registered with CDSL for remote e-voting, then he/she/it can use his/her/its existing User ID and password for casting the vote. Only a Member who is entitled to vote shall exercise his/her/its vote through e-voting and any recipient of this Notice who has no voting rights as on Cut-off Date should treat the same as intimation only.
16. The Board of Directors of the Company has appointed Shri MRL Narasimha (Membership No. 2851, CP No. 799), Practicing Company Secretary or failing him, Shri. Abhilash N.A, Practicing Company Secretary (Membership No. 22601 CP No. 4524) as Scrutinizer for conducting the e-voting process in a fair and transparent manner in accordance with the provisions of Rule 22 of the Companies (Management and Administration) Rules, 2014.
17. Corporate Members are required to scan and send a certified true copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representatives to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to mrln54@outlook.com with a copy marked to the Company on cs@gtntextiles.com.
18. The results once declared along with the Scrutinizer's Report shall be placed on the Company's website www.gtntextiles.com and on website of CDSL within two working days of conclusion of the AGM and will also be communicated to BSE Limited, where the shares of the Company are listed.

THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM ARE AS UNDER:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in

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respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come, first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come, first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The e-voting period begins on Friday, 26th September 2025 at 9.00 AM (IST) and ends on Sunday, 28th September 2025 at 5.00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the

cut-off date (record date) of Monday, 22nd September 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

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Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and Password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Type of shareholders	Login Method
	4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/Mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login If both the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <GTN TEXTILES LIMITED> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies your assent to the Resolution and option NO implies your dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non-Individual Shareholders and Custodians for Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@gtntextiles.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email ID, mobile number at cs@gtntextiles.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email ID, mobile number at cs@gtntextiles.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

1. For Physical shareholders – Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email ID.
2. For Demat shareholders – Please update your email ID & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

Details of Director seeking re-appointment at the forthcoming AGM in pursuance of Regulation 36 of SEBI (LODR) Regulations, 2015

Name of the Director	Smt. Kalpana Mahesh Thakker
DIN	08601866
Age & Date of Birth	62 years, 10.1.1963
Nationality	Indian
Qualification	Graduate
Expertise	Smt. Kalpana Mahesh Thakker (DIN 08601866), aged 62 years, possessed qualification in Bachelor of Arts. She is the Managing Director of M/s. Purav Trading Limited engaged in procurement of raw cotton both from domestic and overseas markets. In addition to the same, she is partner in M/s. Perfect Cotton Company, M/s. Patcot Company,

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Name of the Director	Smt. Kalpana Mahesh Thakker
	and Standard Cotton Company, Mumbai, leading players in raw cotton market. Her family is in the Business of Raw Cotton Procurement for the last 4 to 5 Decades and have special expertise in Import and Export of Raw Cotton. She is actively involved in her family business for last many years. Presently, she is controlling the whole family business.
Date of Appointment in the Company	14.11.2019
Other Directorships (Listed / Public Co.)	Patspin India Limited Purav Trading Limited
Membership / Chairman in other Committees	Patspin India Ltd. - Member - Nomination & Remuneration Committee
Shareholding in the Company	100 equity shares
Relationship between Directors Inter se Directors	NIL

Name of the Director	Shri. N.K. Bafna
DIN	00019372
Age & Date of Birth	86 years, 03.07.1939
Nationality	Indian
Qualification	B.Com, FCA, Law Graduate
Expertise	Shri. N.K. Bafna is a Practicing Chartered Accountant and is having more than 6 decades of experience in the field of Finance & Accounts. He is the Senior Partner of M/s. Lodha & Co. Chartered Accountants, Mumbai. Besides his proficiency in Finance and Accounts, he is also an expert in Company Law matters.
Date of Appointment in the Company	30.10.2020
Other Directorships (Listed / Public Co.)	NIL
Membership / Chairman in other Committees	NIL
Shareholding in the Company	NIL
Relationship between Directors	NIL

Name of the Director	Shri C.K.Gopalakrishnan Nair
DIN	00521840
Age & Date of Birth	78 years, 17.1.1947
Nationality	Indian
Qualification	Diploma in Textile Technology Engineering, CTex ATI
Expertise	Shri. C.K. Gopalakrishnan Nair, aged 78 years, is a Textile Engineer having professional experience over 35 years as Senior positions in Textile Industry and also 10 years in the capacity of Managing Director of public sector companies viz. M/s. Malappuram Co-Operative Spinning Mills, M/s. Sitaram Textiles and M/s. Kerala State Textiles Corporation. He was also actively associated with Textile Institute Manchester, IRC Textiles and Kerala Management Association, Palakkad
Date of Appointment in the Company	30.10.2020

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Name of the Director	Shri C.K.Gopalakrishnan Nair
Other Directorships (Listed / Public Co.)	Patspin India Limited
Membership / Chairman in other Committees	Patspin India Limited - Audit Committee – Chairman / Member - Nomination & Remuneration Committee – Chairman / Member - Stakeholder Relationship Committee – Chairman / Member
Shareholding in the Company	NIL
Relationship between Directors Inter se Directors	NIL

By Order of the Board of Directors

Place : Kochi
Date : 05.08.2025

E.K. Balakrishnan
Company Secretary
Membership No. A7629

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Statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (LODR) Regulations, 2015

Item No. 3

The Members of the Company at their 15th Annual General Meeting of the Company held on 30th October, 2020, had approved the appointment of Shri N.K. Bafna (DIN: 00019372), as Independent Director of the Company for a period of five years from 30.10.2020 to 29.10.2025, pursuant to provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreements with the Stock Exchanges. He holds office as Independent Director of the Company up to the close of business hours on 29th October 2025 in his present first term.

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for reappointment on passing of a Special Resolution by the Company. Further pursuant to sub-regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attended the age of seventy-five years, unless special resolution is passed to that effect.

Shri. N.K. Bafna, Non-Executive Independent Director of the Company, being eligible for re-appointment, have given his consent as well as requisite disclosures along with a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and that he is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority. In the opinion of the Board of Directors of the Company, he fulfils the conditions specified in the Companies Act, 2013 & Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for re-appointment of Independent Director.

The Board of Directors of the Company, based on the performance evaluation of Independent Directors and as per recommendation of the Nomination & Remuneration Committee, at its meeting held on 5th August, 2025, approved the re-appointment of Shri. N.K. Bafna as Non-Executive Independent Director of the Company for a second term of five years from conclusion of 20th Annual General Meeting till 25th Annual General Meeting of the company as mentioned in the Resolution set out under Item No. 3.

The Board of Directors considers that Shri. N.K. Bafna have requisite expertise, versatility, extensive and enriched experience that will be of benefit to the Company.

The Company has received individual notice in writing from Member of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Shri. N.K. Bafna for the office of Director of the Company for his second term of five years effective from conclusion of 20th Annual General Meeting till 25th Annual General Meeting of the company.

Shri. N.K. Bafna aged 86 years is a Practicing Chartered Accountant and is having more than 6 decades of experience in the field of Finance & Accounts. He is the Senior Partner of M/s. Lodha & Co. Chartered Accountants, Mumbai. Besides his proficiency in Finance and Accounts, he is also an expert in Company Law matters.

Copy of the draft letter of appointment of Shri. N.K. Bafna as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all days except Saturdays, Sundays and public holidays, till the conclusion of the ensuing Annual General Meeting. The same is also available at the Company's website at www.gtn textiles.com.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said Resolution.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4

The Members of the Company at their 15th Annual General Meeting of the Company held on 30th October, 2020, had approved the appointment of Shri CK Gopalakrishnan Nair (DIN 00521840), as Independent Director of the Company for a period of five years from 30.10.2020 to 29.10.2025, pursuant to provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreements with the Stock Exchanges. He holds office as Independent Director of the Company up to the close of business hours on 29th October 2025 in his present first term.

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Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing of a Special Resolution by the Company. Further pursuant to sub-regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years, unless special resolution is passed to that effect.

Shri CK Gopalakrishnan Nair, Non-Executive Independent Director of the Company, being eligible for re-appointment, have given his consent as well as requisite disclosures along with a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and that he is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority. In the opinion of the Board of Directors of the Company, he fulfils the conditions specified in the Companies Act, 2013 & Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for re-appointment of Independent Director.

The Board of Directors of the Company, based on the performance evaluation of Independent Directors and as per recommendation of the Nomination & Remuneration Committee, at its meeting held on 5th August, 2025, approved the re-appointment of Shri CK Gopalakrishnan Nair as Non-Executive Independent Director of the Company for a second term of five years from conclusion of 20th Annual General Meeting till 25th Annual General Meeting of the company as mentioned in the Resolution set out under Item No. 4.

The Board of Directors considers that Shri CK Gopalakrishnan Nair have requisite expertise, versatility, extensive and enriched experience that will be of benefit to the Company.

The Company has received individual notice in writing from Member of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Shri. C.K. Gopalakrishnan Nair for the office of Director of the Company for his second term of consecutive five years effective from conclusion of 20th Annual General Meeting till 25th Annual General Meeting of the company.

Shri. C.K. Gopalakrishnan Nair, aged 78 years, is a Textile Engineer having professional experience over 35 years as Senior positions in Textile Industry and also 10 years in the capacity of Managing Director of public sector companies viz. M/s. Malappuram Co-Operative Spinning Mills, M/s. Sitaram Textiles and M/s. Kerala State Textiles Corporation. He was actively associated with Textile Institute, Manchester, IRC Textiles and Kerala Management Association, Palakkad.

Copy of the draft letter of appointment of Shri. C.K. Gopalakrishnan Nair as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all days except Saturdays, Sundays and public holidays, till the conclusion of the ensuing Annual General Meeting. The same is also available at the Company's website at www.gtnntextiles.com.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said Resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

Shri. B.K. Patodia, Chairman & Managing Director resigned from the said position effective from the closing hours of the Board meeting date of 5.8.2025 due to his advancing age and health related concerns.

The Board, on recommendation of the Nomination & Remuneration Committee of the Board of Directors at its meeting held on 5.8.2025 appointed Shri. Umang Patodia as Managing Director in his place for a period of 5 years from 6.8.2025 to 5.8.2030 subject to shareholders' approval. Shri. Umang Patodia is also Managing Director of M/s. Patspin India Limited, Associate Company. In this regard, the Board has considered Specific Notice dated 28.7.2025 issued to all the Directors then in India pursuant to provisions of Section 203(3) of the Companies Act, 2013 and also obtained unanimous consent from all Directors present at the Board meeting.

The Nomination & Remuneration Committee constituted by the Board had met on 5th August, 2025 and approved and recommended remuneration package of Shri. Umang Patodia, Managing Director for a period of three years, in accordance with Schedule V to the Companies Act, 2013.

NOTICE (Contd...)

Pursuant to the provisions of Companies Act, 2013, Remuneration payable by companies having no profit or inadequate profit shall pay remuneration to the managerial person not exceeding the limits as under:

Where the Effective Capital (EC) is	Limit of yearly remuneration payable shall not exceed (Rs)
i) Negative or less than ₹ 5 Crore	60 lacs
ii) ₹ 5 crores and above but less than ₹ 100 Crores	84 lacs
iii) ₹ 100 crores and above but less than ₹ 250 Crores	120 lacs
iv) ₹ 250 Crores and above	120 lacs + 0.01% of EC in excess of ₹ 250 Crores
Provided that the above limits shall be doubled if the resolution passed by the shareholders is a special resolution	

Provided further that the limits specified under items of Schedule V shall apply, if -

- (i) payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub-section (1) of Section 178 also by the Nomination and Remuneration Committee.
- (ii) the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.
- (iii) an ordinary resolution or a special resolution, as the case may be, has been passed for payment of remuneration as per item (A) or a special resolution has been passed for payment of remuneration as per item (B), at the general meeting of the company for a period not exceeding three years.
- (iv) A statement along with Notice calling the General meeting with certain information is to be given to the shareholders.

The Effective Capital of the Company based on the Audited Accounts for the Year Ended 31.3.2025 is "Negative" .

Since effective capital is "Negative", the maximum limit of yearly remuneration payable shall not exceed ₹ 60 lakhs in case of a managerial person.

The remuneration package recommended by the Board is as follows:

a) Salary:

₹ 3,00,000/- per month in the Scale ₹ 3,00,000- ₹ 10,00,000 for period from 6th August 2025 to 5th August 2028.

b) Commission:

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013 such percentage of the Net

Profit of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 2% of the Net Profits of the Company, each year, restricted to an overall limit of ₹ 60 lacs per annum.

c) Perquisites as follows:

- (i) Housing: Rent free accommodation will be provided to the appointee for which actual amount of lease rental paid or payable by the Company or 10% of the salary, whichever is lower, shall be recovered. In case no accommodation is provided by the Company, House Rent Allowance, subject to a ceiling of 60% of the appointee's salary shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- (iii) All Medical Expenses incurred by the appointee for self and his family shall be reimbursed.
- (iv) Leave Travel Concession for the appointee and his family will be allowed once in a year as per the Rules of the Company.
- (v) Fees of Clubs: Subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
- (vi) Personal Accident Insurance: As per Rules of the Company.
- (vii) Provision of Car with driver and telephone at the residence for use of Company's business.

Perquisites not included in Managerial Remuneration

- a) contribution to Provident Fund, Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

NOTICE (Contd...)

- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave at the end of the tenure.

d) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

e) Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.

Since Shri. Umang Patodia is holding position of Managing Director in two companies, the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the company of which he is a managerial person.

Furthermore, approval of the members in general meeting by way of a special resolution is required to

be obtained for payment of minimum remuneration, by way of salary and perquisites and allowance as specified above in the event of absence or inadequacy of profits in any financial year during the tenure of Shri Umang Patodia, Chairman & Managing Director of the Company.

Information require to be disclosed in terms of Schedule V of the Companies Act, 2013.

General information:

i. Nature of industry - Company's cotton yarn manufacturing operations was discontinued w.e.f. 13.06.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted in lower capacity utilization and making the operations unviable. Now it is proposed to start trading in cotton yarn or any other business as permitted to the objects clause of the Memorandum of Association.

i. **Date or expected date of commencement of commercial production:** The commercial production has commenced during October 1964

iii. **In the case of new companies, expected date of commercial activities as per project approved by financial appearing in the prospectus:** Not Applicable

iv. Financial performance:

(in Crs.)

Particulars	2024-25	2023-24	2022-23
Revenue from Operations	0	0	10.01
Operating Profit	0	0	(0.89)
Finance Costs	7.28	10.19	2.43
PBDT	(7.60)	(13.59)	(0.89)
Profit /(Loss)Before Tax	(7.60)	(13.59)	(4.03)
Profit / (Loss)After Tax	(7.43)	(12.09)	(17.43)
Amount of Equity Dividend Paid	0	0	0

The Company has discontinued its manufacturing & perations during Q2-FY 2022-23.

Note : The company has a negative effective capital as on 31.3.2025.

The company has not made any default in the repayment on its dues or interest payments thereon. The company has not accepted any deposits from the public. The company has also not issued any debentures.

- v) Export performance and net foreign exchange contribution: (₹ in lakhs) N.A.
- vi) Foreign investments or Collaboration, if any: The company does not have any Foreign Exchange Collaboration.

NOTICE (Contd...)

II. Information about the appointee: Shri. Umang Patodia

Vide Item No. 5 of the Notice of this Annual General Meeting of the Company; the approval of the members is being sought for fixing the remuneration of Shri. Umang Patodia, Chairman & Managing Director effective from 6th August, 2025 for a period of three years from 06.08.2025 to 05.08.2028. Shri. Umang Patodia is a Citizen of India, 56 years of age. He is a Commerce Graduate and has over two decades of experience in the textile business and has a successful presence in the textile business segment. He is actively involved in the day to day management of the Company. He has been an integral part of the Group for the past 36 years. He is the Managing Director of M/s Patspin India Limited since 1994, part of GTN Group, which manufactures and exports fine cotton yarns, knitted fabrics and garments. In 2003, he started Young Entrepreneurs Group (YEG) within the Confederation of Indian Textiles Industry (CITI). He is also a Committee member of CITI and SIMA. He has been oast Chairman of CII, Kerala and founding Chair if Yi, Kochi.

Maximum remuneration availed by Shri Umang Patodia, Chairman & Managing Director for the last 3 years:

Not Applicable

Pecuniary Relationship: The Company had not entered into any transaction of material in nature with any of the related parties which were in conflict with the interest of the Company. Further, all transactions with the related parties were in the ordinary course of business and at arm's length.

III. Other Information:

The Board's Report forming part of the Annual Report mentioned in detail "other information" as required under Schedule V of the Companies Act, 2013.

Draft Agreement referred in the resolution would be available for inspection by the members at the registered office of the Company between 11 a.m. to 1 p.m. on all days except Saturdays, Sundays and Public holidays, till the conclusion of the ensuing Annual General Meeting.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said Resolution.

The terms and conditions mentioned in item No.5 of the notice may also be taken as an Abstract of the Agreement to be made by the Company with Shri Umang Patodia, pursuant to Section 190 of the Companies Act, 2013.

Your Directors recommend this Special Resolution for approval.

Item No. 6

Pursuant to recent amendments to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a listed entity is required to appoint a Secretarial Auditor (Individual) for one term of five consecutive years, subject to Members approval at the Annual General Meeting. In this regard, based on the recommendation of the Audit Committee of Directors, the Board of Directors, at its meeting on August 5, 2025, approved the appointment of Shri MRL Narasimha, Practicing Company Secretary, as Company's Secretarial Auditor for five years commencing from FY2025-26 to FY2029-30, subject to Members' approval, after taking into account the eligibility of the firm's qualification, experience, independent assessment, competency and Company's previous experience based on the evaluation of the quality of audit work done by him in the past.

The Company has received a consent letter from him, confirming his willingness to undertake the Secretarial Audit and issue the Secretarial Audit Report in accordance with Section 204 of the Act along with other applicable provisions, if any, under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. He hereby affirms its compliance with Regulation 24 A (1B) of the Listing Regulations in providing services to the Company. Further, he confirms that he holds a valid peer review certificate issued by ICSI and fulfill's all eligibility criteria and has not incurred any disqualifications for appointment, as outlined in the SEBI circular dated December 31, 2024. He is a senior Practicing Company Secretary with over 3 decades of experience in the field of Company Secretary and having vast experience in carrying out Secretarial Audit of listed companies.

Besides the audit services, the Company would also obtain permitted services which are to be mandatorily received from the Secretarial Auditor under various statutory regulations from time to time, for which he will be remunerated separately on mutually agreed terms.

The Board of Directors, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditor.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are, in any way, concerned or interested in the resolution at Item No.6 of the accompanying Notice.

NOTICE (Contd...)

The Board recommends the Ordinary Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

Item No. 7 to 10

Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended, prescribe certain procedure for approval of related party transactions. Regulation 23 of the SEBI (LODR) Regulations, 2015 has also prescribed seeking of shareholders' approval for related party transactions provided that a transaction with a related party shall be considered material i.e. if the transaction(s) to be entered into individually or taken together with previous transaction during a financial year exceeds ₹ 1000 crore or 10% of the

annual turnover of the listed entity as per the last audited financial statement of the listed entity, whichever is lower. Proviso to Section 188 provides that nothing contained in Sub-section (l) of Section 188 applies where transactions are entered into by the company in the ordinary course of conduct of business other than transactions which are not on an arm's length basis.

Annual turnover of GTN Textiles Limited as per audited financial statements as at 31.3.2025 is NIL. Therefore, the value of the related party transactions were considered material, pursuant to the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015. Hence the following proposed transactions are for the approval of Shareholders of the Company by passing an ordinary resolution.

i) Proposal placed for related party transactions with M/s Patspin India Limited

Name of Related party	Relationship	Estimated value of transaction (₹ In lakhs)	Nature of the transaction(s)	Material Terms of the contract/ or agreement
Patspin India Limited	Patspin India Limited is Promoted by GTN Textiles Limited, KSIDC Limited and the Patodia Family. Shri. B.K. Patodia is the Chairman and Shri. Umang Patodia is the Managing Director of Patpsin India Limited. Both the Directors are interested pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (LODR), Regulations 2015	1000	Sale, Purchase or supply of cotton and cotton yarn / waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 20 th AGM to the conclusion of the 21 st AGM. Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arm's length price.

ii) Proposal placed for related party transactions with M/s GTN Enterprises Limited

Name of Related party	Relationship	Estimated value of transaction (₹ In lakhs)	Nature of the transaction(s)	Material Terms of the contract/ or agreement
GTN Enterprises Limited	Shri. Ankur Patodia is the Managing Director of GTN Enterprises Limited. He is the Son of Shri. B.K. Patodia and Brother of Shri. Umang Patodia	2500	Sale, Purchase or supply of cotton and cotton yarn / waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 20 th AGM to the conclusion of the 21 st AGM. Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arms length price.

NOTICE (Contd...)

iii) Proposal placed for related party transactions with M/s. Beekaypee Credit Private Limited

Name of Related party	Relationship	Estimated value of transaction (₹ In lakhs)	Nature of the transaction(s)	Material Terms of the contract/ or agreement
Beekaypee Credit Private Limited	Shri. B.K. Patodia and Shri. Umang Patodia are interested Directors and Director in the related party company.	1000	Sale, Purchase or supply of cotton and cotton yarn / waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 20 th AGM to the conclusion of the 21 st AGM. Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arms length price.

iv) Proposal placed for related party transactions with M/s. Umang Finance Private Limited

Name of Related party	Relationship	Estimated value of transaction (₹ In lakhs)	Nature of the transaction(s)	Material Terms of the contract/ or agreement
Umang Finance Private Limited	Shri. B.K. Patodia, is interested Director and Director in the related party company.	1000	Sale, Purchase or supply of cotton and cotton yarn / waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 20 th AGM to the conclusion of the 21 st AGM. Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arms length price.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Parties	Patspin India Ltd
Name of the Director or key managerial personnel who is related, if any	Shri. B.K. Patodia, Chairman Shri. Umang Patodia, Managing Director
Nature of Relationship	Shri. Umang Patodia (son of Shri. B.K.Patodia) is the Managing Director of the related party company.
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	Your Company is proposed to carry on trading activities of cotton and cotton yarn products and hence this proposal. The transaction with the said related party shall be in the normal course of business and at arm's length.

NOTICE (Contd...)

Name of the Related Parties	GTN Enterprises Limited
Name of the Director or key managerial personnel who is related, if any	Shri. B.K.Patodia and Shri. Umang Patodia.
Nature of Relationship	Shri. Ankur Patodia, Managing Director of GTN Enterprises Limited is the Son of Shri. B.K. Patodia and Brother of Shri. Umang Patodia.
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above.
Any other information relevant or important for the members to take a decision on the proposed resolution	Your Company is proposed to carry on trading activities of cotton and cotton yarn products and hence this proposal. The transaction with the said related party shall be in the normal course of business and at arms length.

Name of the Related Parties	Beekaypee Credit Private Limited
Name of the Director or key managerial personnel who is related, if any	Shri. B.K.Patodia and Shri. Umang Patodia.
Nature of Relationship	Both Shri. B.K.Patodia and Shri. Umang Patodia are Directors of Beekaypee Credit Pvt, Ltd.
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	Your Company is proposed to carry on trading activities of cotton and cotton yarn products and hence this proposal. The transaction with the said related party shall be in the normal course of business and at arms length.

Name of the Related Parties	Umang Finance Private Limited
Name of the Director or key managerial personnel who is related, if any	Shri. B.K. Patodia.
Nature of Relationship	Shri. B.K. Patodia is Director in related party company.
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above.
Any other information relevant or important for the members to take a decision on the proposed resolution	Your Company is proposed to carry on trading activities of cotton and cotton yarn products and hence this proposal. The transaction with the said related party shall be in the normal course of business and at arms length.

The above proposed arrangements / transactions were approved by the Audit Committee and the Board of Directors at its meeting held on 5.8.2025 recommended the same to the Shareholders of the Company for their approval.

As per Regulation 23 of the SEBI (LODR) Regulations, 2015, all material related party transactions shall require approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transaction or not. Further, as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014, where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangement. Accordingly, all related parties of the Company shall not participate or vote on this resolution.

NOTICE (Contd...)

Directors or their relatives mentioned as related parties above may be deemed to be interested or concerned in the Resolution.

None of the other Directors of the Company or their are relatives are in any way, financially or otherwise, concerned or interested in the resolution.

The above proposal is in the interest of the Company and the Board recommends the Ordinary Resolution as set out at Item No.7 to 10 for approval by the members of the Company.

By Order of the Board of Directors

E.K. Balakrishnan

Company Secretary

Membership No. A7629

Place : Kochi

Date : 05.08.2025

GTN TEXTILES LIMITED

BOARD'S REPORT

To the Members,

Your Directors present the 20th (Twentieth) Board's Report together with the Audited Statement of Accounts (Standalone & Consolidated) for the year ended 31st March 2025.

1. FINANCIAL RESULT

The Standalone and Consolidated financial highlights of your Company for the year ended 31st March 2025 are summarized as follows:

(₹ in Crores)

Financial Results	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from Operations / Other Income	*	*	*	*
EBITDA	*	*	*	*
Finance cost	*	*	*	*
Depreciation	*	*	*	*
Profit / (Loss) / before Tax	*	*	*	*
Tax expense / (Credit) – including Deferred tax	*	*	*	*
Profit / (Loss) for the year from continuing operations	*			
Profit / (Loss) for the year from discontinued operations	(7.82)	(12.04)	(7.82)	(12.04)
Other Comprehensive Income (net of Tax)	0.39	(0.05)	0.39	(0.05)
Total Comprehensive loss for the year	(7.43)	(12.09)	(7.43)	(12.09)

*Since Cotton Yarn manufacturing operations were discontinued during the second quarter of FY 2022-23, there is no revenue / expenses from operations for FY 2024-25.

2. FINANCIAL PERFORMANCE

Company's cotton yarn manufacturing operations was discontinued w.e.f. 13.06.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted in lower capacity utilization and making the operations unviable. In view of this, there was no operating revenue for the financial year 2024-25. Total of the Fixed and other expenses incurred during the year were disclosed under the heading "Profit/(Loss) for the year from discontinued operations" and breakup of the same is given herein below.

Amount ₹ in Crs.

Particulars	FY 2024-25	FY 2023-24
Income from Sales and other Income	0.77	0.93
Profit on sale of Property, plant and Equipment	6.90	2.50
Total Income	7.67	3.43
Less : Expenses		
Raw material cost	0.23	--
Finance Cost	7.28	10.19
Employee Cost and Administrative Expenses	2.76	5.52
Commission, brokerage, liquidated damage on sale of land	5.39	-
VRS Compensation paid to workmen	-	1.26
Total Expenses	15.66	16.97
Profit/(Loss) before tax on discontinued operation	(7.99)	(13.54)
Tax expenses thereon (including deferred tax)	(0.17)	(1.50)
Profit/(Loss)on discontinued operation	(7.82)	(12.04)

BOARD'S REPORT (Contd...)

3. STATUS OF DISPOSAL OF PROPERTY PLANT AND EQUIPMENT

Pursuant to the stoppage of Cotton yarn manufacturing operations of the company with effect from 13.06.2022, your Board has taken effective steps to sell the assets of the company and to pay the dues of the workmen & employees, bankers, creditors etc. The company's bankers have issued NOC for sale of assets and thereby, the company has sold 25.72 acres of Freehold Land for a Sale consideration of Rs 87.14 Cr and also sold machinery and other assets. From the net sale proceeds, the company has repaid / paid (i) Banks' dues fully without any haircut (ii) VRS settlement to workmen and (iii) certain other liabilities (Creditors, ICDs and un-secured loans). Consequent to repayment of banks dues fully, the status of the account has become "Standard."

Demand scenario of the Indian Textiles Industry is showing signs of improvement with various Government initiatives viz. Execution of FTA with UK, advance negotiations with EU on FTA, higher budgetary allocation in FY 2025-26 for Textiles sector, enhanced credit access, export promotion measures, creation of the Bharat Trade Net digital platform which will streamline trade documentation, facilitate smoother global integration and ease market access for small and medium textile enterprises, etc. China plus one policy adopted by many countries in procurement and Political tensions, coupled with economic woes at Bangladesh and Sri Lanka.

Since all bank dues and other major Liabilities have already been paid, the company can take advantage of the improved demand situation for Indian textiles industry and can carry on outsourcing of cotton yarn / Trading in cotton yarn or any other business as permitted in the objects clause of the Memorandum of Association, for better prospects of the company.

In line with this, the company, by utilizing available funds, has already commenced the business of Trading in cotton yarn.

4. CHANGE IN LEADERSHIP

Chairman and Managing Director

Shri. B.K.Patodia, Chairman and Managing Director vide his letter dated 23.7.2025 communicated to the Board that he would like to take retirement from the day to day activities of the company on the closing of Board meeting date of 5th August 2025, due to his advancing age and related health concerns.

He has been at the helm of the affairs of the company over six decades and has taken the reins of "GTN" in 1966 at a very young age of 21. Today, Brand GTN had emerged itself as a "Hallmark of Excellence" in

global markets. GTN group had won over fifty Cotton Yarn Exports Awards during the last 35 years for export excellence under his able leadership. His visionary approach was a game changer in the Industry. Imbibing state of the art technology, promotion of compact spinning, use of internationally acclaimed cottons like American Supima and Egyptian Giza are few among them. GTN entered the global niche market in the early 1980's and is one among the first from India.

He had played a key role in the growth of the industry by associating in various organizations as (i) Chairman of Indian Cotton Mills' Federation (now known as Confederation of Indian Textile Industry) New Delhi, (ii) Chairman of Cotton Textiles Export Council (Texprocil) Mumbai, (iii) Chairman of Southern India Mills' Association, Coimbatore, (iv) President of the Employers' Federation of Southern India, Chennai and (v) President of the Cochin Chamber of Commerce and Industry, Cochin.

He was the Past Chairman of the Joint Cotton Committee of International Textile Manufacturers Federation (ITMF), Zurich. He was also a member of the (i) Advisory Board on the Committee of Management of ITMF and (ii) Spinners Committee of ITMF. He was a member of Cotton Advisory Board Constituted by the Ministry of Textiles, Government of India for a long period. He had also associated with Dr. M.S.Swaminathan, the eminent agricultural scientist in drafting the Technology Mission of Cotton plan which was included in the ninth Five Year Plan, under the aegis of CITI (erstwhile ICMF) and SIMA.

His futuristic approach had played a vital role in expanding the export market for Indian players. He had his footprints in opening up Japanese, U.S.A, Chinese and European markets even under the quota regime facilitating export of cotton textiles worldwide. He led delegations and represented the Industry and visited many countries. He had also played a key role in paving the way for the creation of Technology Upgradation Fund-Scheme, which made the industry globally competitive. His guidance and experience has facilitated these organizations and the Industry in their journey towards excellence and prominence across the world.

He has always set a benchmark with his extraordinary vision, process driven organizational ability and keen pursuit of excellence. Under his able leadership, GTN Group began its journey with a singular mission, to spin a legacy of excellence and create an indelible impact in the world of specialty cotton yarn manufacturing.

5. CHAIRMAN EMERITUS

Considering Shri. B.K.Patodia's outstanding and selfless service for development, growth and success

BOARD'S REPORT (Contd...)

of the company, and his path breaking and visionary contribution towards Indian textile Industry over the last six decades, the Board has conferred upon Shri. B.K. Patodia lifetime title of "Chairman Emeritus" effective from 6th August 2025.

Your Board noted that during the year under review, Shri B.K. Patodia received distinguished recognition from CITI's Exemplary Service Award for 2024 acknowledging his valuable contribution towards growth of the Indian textile industry. He was also honoured by Mr Christian Schindler, Director General ITMF, for his best services on the Board of ITMF (International Textile Manufacturers Federation) for 14 years by who personally presented the award to him.

6. APPOINTMENT OF SHRI. UMANG PATODIA AS CHAIRMAN & MANAGING DIRECTOR, EFFECTIVE FROM 6TH AUGUST 2025

As per third proviso of subsection 3 of Section 203 of the Companies Act, 2013, the Board has unanimously appointed Shri. Umang Patodia as Chairman and Managing Director of the Company effective 6th August 2025. Shri Umang Patodia is the elder son of Shri B. K. Patodia and joined in GTN Group in 1989. He has been an integral part of the Group for the past 36 years. He is the Managing Director of M/s. Patspin India Limited since 1994, part of GTN Group, which manufactures and exports fine cotton yarns, knitted fabrics and garments. In 2003, he started Young Entrepreneurs Group (YEG) within the Confederation of Indian Textile Industry (CITI). He is also a Committee member of CITI and SIMA. He has been past Chairman of CII, Kerala and founding Chair of Yi, Kochi.

7. DIVIDEND

In view of the losses for the financial year ended 31st March 2025, the Board of Directors, regret their inability to recommend any dividend for the year 2024-25.

8. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements, prepared in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and Regulation 33 of the SEBI (LODR) Regulations, 2015 together with Auditors Report. The Auditors, report on the consolidated financial statements also attached. The same is with unmodified opinion (unqualified).

9. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The Company did not have any Subsidiary or Joint Venture during the financial year. The Company has one Associate Company, Patspin India Limited.

10. MANAGEMENT DISCUSSION AND ANALYSIS

As mentioned in item 2, "Financial Performance" above, the manufacturing operations of the company has been suspended with effect from 13.6.2022. Since major part of the property, plant and equipment have been disposed of and liabilities settled, the company now intent to commence trading in cotton yarn or any other business as permitted in Object Clause in the Memorandum of Association. Normal Business challenges are expected to remain as the Company operates in a competitive sector. The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

With the reasons above, the Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (LODR) Regulations, 2015 is not separately attached.

11. PUBLIC DEPOSITS

The Company does not have "Deposits" as contemplated under Clause V of the Companies Act, 2013. Further, the company has not accepted any such deposits during the year ended 31st March 2025.

12. CORPORATE GOVERNANCE

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance.

A separate statement on Corporate Governance together with a certificate from the Practicing Company Secretary of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

13. DIRECTORS AND KEY MANAGERIAL PERSONS

All the Directors have affirmed that they have complied with the Company's Code of Business Conduct & Ethics.

BOARD'S REPORT (Contd...)

In terms of requirements of the Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses, which are detailed in the Report on Corporate Governance.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs. The Independent Directors who were required to clear the online proficiency self-assessment test have passed the test. In the opinion of the Board, the Independent Directors fulfil the conditions of independence, are independent of the management, possess the requisite integrity, experience, expertise, proficiency and qualifications to the satisfaction of the Board of Directors.

During the year under review, Shri B.L. Singhal, Non-Executive Independent Director completed his second term tenure on 18.9.2024 and ceased to be an Independent Director of the Company. The company was very fortunate to have him on the Board for such a long period and the Board expressed its profound appreciation for his valuable contribution and guidance, which has benefited the company.

Other than the above, there is no change in the composition of the Board of Directors and the Key Managerial Personnel during the year under review.

Further the Board at its Meeting held on 05.08.2025, approved the resignation of Chairman & Managing Director Shri Binod Kumar Patodia (DIN: 00003516) and re-designated him as "Chairman Emeritus". The said meeting also approved appointment of Shri Umang Patodia (DIN:00003588) as Chairman & Managing Director for a period of consecutive five years from 06.08.2025 to 05.08.2030 in compliance with provisions of Section 203(3) of the Companies Act, 2013. The Board also considered and approved re-appointment of Independent Directors viz; Shri N.K. Bafna (DIN:00019372) and Shri C.K. Gopalakrishnan Nair (DIN: 00521840) for a second term tenure of five consecutive years from the conclusion of the 20th Annual General Meeting till the conclusion of the 25th Annual General Meeting and recommended the same for shareholders approval at the ensuing Annual General Meeting.

Pursuant to the requirements of the Companies Act, 2013, Smt. Kalpana M. Thakker (DIN: 08601866), retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends the appointment / re-appointment of the above Director for approval. The brief details of the Director proposed to be appointed / re-appointed, as required under Regulation 36 of SEBI Listing Regulations, are provided in the Notice of Annual General Meeting.

Shri V.N. Balakrishnan Non-Executive Independent Director completes his first term of five years and opts out for his second term, due to advancing age and certain personal reasons. The Board places on record its profound appreciation for his valuable contribution during his long association with the company.

14. KEY MANAGERIAL PERSONNEL

Shri B.K. Patodia, Managing Director, Shri. M. Achuthan, Chief Financial Officer and Shri E.K. Balakrishnan, Company Secretary were the Key Managerial Personnel of your Company, in accordance with the provisions of Section 203 of the Companies Act 2013 during the year under review.

15. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 6 (Six) times during the financial year 2024-25. The details of the meetings of the Board of Directors of the Company convened and attended by the Directors during the financial year 2024-25 are given in the Corporate Governance Report which forms part of this Annual Report.

16. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Director of the Company met on 8th March 2025 without the presence of Non-Independent Directors and members of the Management for more details, visit Corporate Governance Report annexed to this Report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of Annual Accounts for the year ended on 31st March, 2025 and state that:

1. in the preparation of the Annual Accounts, the applicable Indian Accounting Standards have been followed and there are no material departures from the same.

BOARD'S REPORT (Contd...)

2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at 31st March 2025 and of the profit or loss of the company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the Annual Accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. BOARD EVALUATION

Pursuant to the provisions of Companies Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, Committees of the Board and of the Directors individually. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specified duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company.

19. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given, which inter alia explains the role, function, duties and responsibilities expected as a Director of the Company. This is to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Director is also explained in detail the Compliance required under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same.

The Chairman and the Management has also one to one discussion with the Directors to familiarize with the company's operations.

20. AUDITORS

M/s. L.U. Krishnan & Co. (Regn.No.001527S) Chartered Accountants, Chennai were appointed as the Auditors of the Company for second term of 5 years at the 17th Annual General Meeting (AGM) held on 30th September, 2022 to hold office till the conclusion of the 22nd AGM of the Company to be held in the year 2027. The Auditors' Report for FY 2024-25 does not contain any qualifications, reservations or adverse remarks.

21. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors as recommended by Audit Committee and subject to members approval at this AGM, recommended appointment of Shri. MRL Narasimha, Practising Company Secretary (C.P. No. 799), as Secretarial Auditors of Company for the term of 5 (five) consecutive years from 1st April, 2025 to 31st March, 2030.

Secretarial Audit Report for the financial year ended 31st March, 2025 issued by Shri MRL Narasimha Practising Company Secretary in Form MR-3 forms part to this report – as Annexure I.

BOARD'S REPORT (Contd...)

Secretarial Auditors' observation on certain matters and Management's explanation is given below:

S. No.	Observations	Management Reply
1	Non-compliance with the appointment of Chairperson of stakeholder relationship committee under Reg 20(2)/2A of SEBI (LODR) REGULATIONS, 2015. BSE has levied fine regarding the above noncompliance amounting to ₹ 28320/-. The company has paid Rs 11800 as processing fee for wavier and the same is under process with the Listing operation team.	BSE vide their email dated 25.10.2024 communicated to the Company a discrepancy that "Corporate Governance report filed for quarter ended September 30, 2024 as per Regulation 20(2) of SEBI LODR 2015 does not have a Chairperson for Stakeholder Relationship Committee (SRC) for the whole quarter". Company vide its email dated 28.10.2024 informed BSE that the Chairperson of SRC had completed his tenure on 18.9.2024 and the Board at its Meeting held on 13.8.2024 appointed a Non-Executive Independent Director as Chairperson of SRC. Inadvertently, BSE vide their email dated 21.11.2024 levied a fine of ₹ 28,320 and BSE vide its email dated 27.11.2024 advised company to apply for waiver of fine with a payment of processing fee of ₹ 11,800 and company's waiver request dated 29.11.2024 is still under process with them.
2.	During the year, company entered into a MOU with Promoter directors' an amount of Rs 14.58 Crores advanced to Patspin Limited by the company was adjusted against outstanding unsecured loan from Promoter Director as at 31-03-2025, as a result liabilities in the books of the company gets reduced to that extent as at 31-03-2025, sans requisite approval from shareholders.	As per MOU dated 30.3.2025, specific loan lying in the name of Patspin India Limited has been transferred in the name of Promoter Directors as at 31.3.2025 pursuant to provisions of Section 269T and 269SS of the Income Tax Act, 1961 after obtaining legal opinion from the Income Tax Consultants of the Company. Company also obtained legal opinion from M/s. Subbaraya Aiyar Padmanbhan & Ramamani, Advocates Chennai and they opined that since company obtained necessary approvals prior to payment of said loan under related party transactions from Audit Committee/ Shareholders, no further approval is required for closure of the said loan.

22. COST AUDITORS

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014 published vide GSR No. 01(E) on 31st December 2014 issued by the Central Government in terms of the powers conferred by Section 148 of the Companies Act, 2013, due to the reduction of the turnover from the auditable product as per the previous audited financial statement and also there is no manufacturing operations being held in the company, the cost audit is not mandatory during the next financial year 2025-26. Hence Board has not recommended the appointment of Cost Auditor for the next FY 2025-26.

23. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the company for the Financial Year 31st March 2025 will be uploaded on the website of the company and can be accessed at the www.gtnntextiles.com

24. RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions entered between the company, directors, management and their relatives, except for those disclosed in the financial statements. All the contracts/ arrangements/ transactions entered by the Company with the related parties during the Financial Year 2024-25 were in the ordinary course of business and on an arm's length basis, and whenever required the Company has obtained necessary approvals as per the related party transaction policy of the Company. Accordingly, the particulars of contracts or arrangements with related parties which is required to be disclosed under Section 134(3)(h) read with Section 188(1) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for Financial Year 2024-25 and, hence, the same does not form part of the Board's Report.

The Company has formulated the policy on Related Party Transactions, and the same is available on the website of the Company at www.gtnntextiles.com. The details of related party disclosures form part of the notes to the Financial Statements provided in this Annual Report.

BOARD'S REPORT (Contd...)

25. LOANS & INVESTMENTS

Details of loans, guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements forming part of this report.

26. CREDIT RATING

Company has fully repaid all its bank dues and as on date there are no bank borrowings, hence no External credit rating is required.

27. RISK MANAGEMENT

The company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted, and no major risks were noticed, which may threaten the existence of the company.

28. VIGIL MECHANISM / WHISTE BLOWER POLICY

The company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns or grievances. The Vigil Mechanism (Whistle Blower Policy) has been posted on the company's website www.gtn textiles.com.

29. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Even though the provisions of Section 135 (5) of Companies Act, 2013 regarding Corporate Social Responsibility are not yet attracted, the company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

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

Information required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

a) Conservation of Energy

The manufacturing operations of the company has been suspended with effect from 13.6.2022 and major

fixed assets have been sold and most of the liabilities have been paid. Now the company intends to carry on outsourcing of cotton yarn manufacturing / trading in cotton yarn or any other business as permitted in Object Clause in the Memorandum of Association, and hence it does not consume heavy electricity

b) Technology absorption

Since no manufacturing activity-Not Applicable.

c) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings – NIL

Foreign Exchange Outgo – NIL

31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk mitigation system designed to effectively control the operations at its Head Office and Depots. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures. Independent Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the company.

32. NOMINATION & REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. More details on the same are given in the Corporate Governance Report.

33. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 (hereinafter referred to as "the

BOARD'S REPORT (Contd...)

Act”) read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the “IEPF Rules”), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to shares on which dividends were unclaimed are provided in the General Shareholders Information section of Corporate Governance report forming part of this Annual Report.

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

The Company has in place an anti-sexual harassment policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliance Committee (ICC) is already been functioned for redressing complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaints under this policy during the year ended 31st March, 2025.

35. PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 (3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required pursuant to section 134 (3) (q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered office of the company

between 11 am and 9 pm on all days except Saturdays, Sundays and public holidays up to the date of the ensuing Annual General meeting. If any Member is interested in obtaining a copy thereof, such member may write to the company in this regard.

36. PERSONNEL & INDUSTRIAL RELATIONS

Industrial Relations were cordial and satisfactory. There were no employees whose particulars are to be given in terms of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

37. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of your Company and its future operations.

38. GENERAL

a) There was no issue of equity shares with differential rights as to dividend, voting or otherwise: and;

b) There was no issue of shares (including sweat equity shares) to the employees of the company under any scheme.

39. ACKNOWLEDGEMENT

Your Directors place on record their gratitude to Central Bank of India, State Bank of India and the concerned Departments of the State and Central Government, valuable customer, Employees and Shareholders for their assistance, support and co-operation to the Company.

For and on behalf of the Board of Directors

B.K. PATODIA

Chairman

(DIN:00003516)

Place: Mumbai

Date : 05.08.2025

**ANNEXURE TO THE BOARD'S REPORT
FORM MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members of GTN TEXTILES LIMITED (CIN: L18101KL2005PLC018062.)

I have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by GTN TEXTILES LIMITED (here in after called "the Company"). I have conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing my opinion there on.

I am issuing this report based on my verification of the books, papers, minutes books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company, during the Financial Year ended 31st March 2025 and also after 31st March, 2025 but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during my conduct of secretarial audit.

I hereby report that, in my opinion, during the audit period covering the Financial Year ended on 31st March 2025 (hereinafter referred to as "the year"), the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made here in after. The members are requested to read this report along with my letter of even date annexed to this report as Annexure-A.

1. I have examined the books, papers, minutes books and other records maintained by the Company and the forms and returns filed during the year according to the applicable provisions of:
 - i. The Companies Act, 2013 (the Act), the rules made there under.
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.
 - iii. The Depositories Act, 1996 and the regulations and byelaws framed there under.
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
 - v. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

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 (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
2. I am informed that, during the year the Company was not required to maintain any books, papers, minute books or other records or to file any forms / returns according to the provisions of the following Regulations and Guidelines prescribed under the SEBI Act:
 - (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - (d) The Securities and Exchange Board of India (BuyBack of Securities) Regulations 2018:

Annexure - I (Contd...)

3. I am also informed that for the year, there were no other laws specifically applicable to the company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
4. i) I have also examined compliance with the Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.

- ii) The Listing Agreement entered by the company with BSE Limited.

I further report that compliance by the company of applicable financial laws, like Direct and Indirect Tax laws, has not been reviewed in this audit since this has been subject to review by Statutory Auditor and other designated professionals.

During the period under review, and also considering the compliance related action taken by the company after 31st March 2025 but before the issue of this report , the company has complied with the provisions of the Act, Rules, Regulations and agreements mentioned under paragraph 1 and 2 above, to the extent applicable, except to the extent of the following:

Noncompliance with the appointment of Chairperson of Stakeholder Relationship Committee under Reg 20(2)/2A of SEBI (LODR) REGULATIONS, 2015. BSE has levied fine reg the above non-compliance amounting to ₹28320/- The company has paid Rs11,800 as processing fee for wavier and the same is under process with the Listing operation team.

During the year company entered into a MOU with Promoter directors' an amount of Rs 14.58 Crores advanced to Patspin Limited by the company was adjusted against outstanding unsecured loan from Promoter Director as at 31-03-2025, as a result liabilities in the books of the company gets reduced to that extent as at 31-03-2025, sans requisite approval from shareholders.

5. I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors, and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days in advance.
- (iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
- (v) There were no instances of
- (a) Public / Rights / Preference Issue of shares/Debentures/Sweat Equity
 - (b) Redemption / Buy-back of Securities.
 - (c) Merger / Amalgamation/ Reconstruction etc
 - (d) Foreign technical collaborations.

Place : Coimbatore
Date : 05/08/2025
UDIN: F002851G000932274

MRL Narasimha
Practicing Company Secretary
M. No. F. 2851
CP No: 799
PR No.1420/2021

Annexure - I (Contd...)

Annexure - A to Secretarial Audit Report of even date

**To,
The Members,
GTN TEXTILES LIMITED
(CIN: L18101KL2005PLC018062)**

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March, 2025 is to be read along with this letter.

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also taken into consideration the compliance related action taken by the Company after 31st March 2025 but before the issue of this report.
4. I have verified the records to see whether the correct facts are reflected in the secretarial records. I also examined the compliance procedures followed by the Company. I believe that the processes and practices I followed provide a reasonable basis for my opinion. I have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
5. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : 05/08/2025
UDIN: F002851G000932274

MRL Narasimha
Practicing Company Secretary
M.No.F. 2851
CP No:799
PR NO.1420/2021

GTN TEXTILES LIMITED

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2024-25

1. Company's Philosophy on Code of Corporate Governance

Your company is committed to the adoption of and adherence to the best corporate governance practices at all times. The Corporate Governance guidelines are in compliance with the requirements of Schedule V of SEBI (LODR), Regulations, 2015 (Listing Regulations). The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including share-holders, employees, the Government and Lenders.

2. Board of Directors

The Composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the SEBI (LODR) Regulations, 2015. The Board is comprised of 6 Directors, both Executive and Non- Executive and Shri. B.K.Patodia is the Chairman & Managing Director looking after day-to-day operations of the company under the overall guidance of the Board of Directors. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. None of the person on the Board serving as Managing Director/ Whole-time Director is serving as an Independent Director on the Board of more than 3 listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025 have been made by the Directors. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

a) The Composition of the Board and category of Directors as on 31.3.2025 are as follows:

Category	Name of Directors
Promoter / Managing Director	Shri. B.K. Patodia
Non-Executive / Non independent Director	Smt. Kalpana Mahesh Thakker
	Shri Umang Patodia
Independent Directors	Shri. B.L. Singhal (up to 18.9.2024)
	Shri N. K. Bafna
	Shri. V. N. Balakrishnan
	Shri C. K. Gopalakrishnan Nair

b) Attendance of Directors at Board Meetings, last Annual General Meeting and Number of Other Directorships and Chairmanship/ Membership of Committees of each Directors in various Companies:

Name of the Director	DIN No	No. of Equity shares held as on 31.3.2025	Attendance particulars		No. of other Directorships and Committee memberships / Chairmanships			Relationship interse Directors
			Board meetings	Last AGM	Other Directorships including Pvt. Ltd. Cos.	Other Committee Member-ships	Other Committee Chairman-ships	
Shri. B. K. Patodia	00003516	Nil	6	Present	4	0	None	Relative of Shri. Umang Patodia
Shri.B L Singhal (up to 18.9.2024)	00006433	9,680	2	Present	0	0	2	None
Shri N. K. Bafna	00019372	Nil	6	Present	1	0	0	None
Shri. V. N. Balakrishnan	08820393	270	6	Present	1	2	None	None
Shri C. K. Gopalakrishnan Nair	00521840	Nil	6	Present	1	2	1	None

REPORT ON CORPORATE GOVERNANCE (Contd...)

Name of the Director	DIN No	No. of Equity shares held as on 31.3.2025	Attendance particulars		No. of other Directorships and Committee memberships / Chairmanships			Relationship interse Directors
			Board meetings	Last AGM	Other Directorships including Pvt. Ltd. Cos.	Other Committee Member-ships	Other Committee Chairman-ships	
Smt. Kalpana Mahesh Thakker	08601866	100	5	Present	2	None	None	None
Shri. Umang Patodia	00003588	0	6	Present	3	2	None	Relative of Shri. B.K. Patodia

Notes:

- In accordance with Regulation 26(b) of SEBI (LODR) Regulations 2015, Membership/Chairmanship of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies has been considered.
- None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director as per Regulation 26(1) of SEBI (LODR) Regulations 2015.

c) The details of Directorship in other listed entities and category of Directorship:

S. No.	Name of the Director	Name of other listed entity	Category of Directorship
1.	Shri. B.K.Patodia	Patspin India Limited	Non-Executive Promoter Chairman
2.	Shri. B.L.Singhal (up to 18.9.2024)	NIL	
3	Shri N. K. Bafna	Patspin India Limited (up to 18.9.2024)	Non-Executive Independent Director
4	Shri. V. N. Balakrishnan	Patspin India Limited	Non-Executive Independent Director
5	Shri C. K. Gopalakrishnan Nair	Patspin India Limited	Non-Executive Independent Director
6	Smt. Kalpana Mahesh Thakker	Patspin India Limited	Non-Executive Woman Director
7	Shri. Umang Patodia	Patspin India Limited	Promoter & Managing Director

d) Number of Board meetings held and the dates on which held;

Six Board meetings were held during the year. The maximum time gap between any two consecutive meetings did not exceed 120 days.

The details of the Board Meetings are as under:

S. No.	Date	Board Strength	No. of Directors present
1.	21 May 2024	7	7
2.	13 August 2024	7	7
3.	26 October 2024	6	6
4.	11 November 2024	6	5
5.	21 December 2024	6	6
6.	10 February 2025	6	6

Board and Audit Committee meetings held on 13.8.2024 were in physical mode. All other meetings in FY 2024-2025 were held through Video Conferencing.

REPORT ON CORPORATE GOVERNANCE (Contd...)

e) Disclosure of Relationships between Directors inter-se:

Please refer 2 (b) of the Report.

f) No. of shares and convertible instruments held by Non-Executive Directors

Please refer 2 (b) of the Report.

g) Weblink where details of Familiarization program imparted to independent Directors disclosed:

An appropriate induction program for new Directors and ongoing familiarization with respect to the business / working of the company for all directors is a major contributor for meaningful board level deliberations and sound business decisions. The Company has adopted a structured programme for orientation of independent directors at the time of their joining so as to familiarize them with the company's operation, business, industry and environment in which it functions and the regulatory environment applicable to it. The company updates the Board members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and the responsibilities so as to be in a position to take well informed and timely decision and contribute significantly to the company. The Company through its Managing Director / Senior Managerial Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter-alia, business environmental, business strategies, operations review, quarterly and annual results, budgets, review of internal audit report and action taken, statutory compliance, etc. Policy on Familiarization programme imparted is available on our website www.gtn textiles.com.

h) Matrix / Table containing skills expertise and competencies of Board of Directors:

The Board members are from diversified areas having the required knowledge i.e Competency, Skills and Experience to effectively discharge their responsibilities. The range of experience of the Board members include in the areas of Spinning Industry, Marketing, Finance, Taxation, Legal and Administration as well as procurement of raw materials. The Broad policies are framed by the Board of Directors. All strategic decisions are taken by the Board after due deliberations between the Board members which consists of Managing Director, Non-Executive Director and Independent Directors. The Company has identified and broadly categorized its core skills, expertise and competencies as mentioned hereunder:

Matrix / Table of Core Skills, Expertise and Competencies of Board of Directors as whole:

Particulars	Detailed list of core skills, expertise and competencies	Name of Directors who have skills, expertise and competence						
		Shri. B.K. Patodia	Shri. B.L. Singhal (up to 18.9.2024)	Shri N. K. Bafna	Shri. V. N. Balakrishnan	Shri. C. K. Gopalakrishnan Nair	Smt. Kalpana M. Thakker	Shri. Umang Patodia
Core Skills	Strategic policy formulation and Advising	✓	✓	✓				✓
	Regulatory framework knowledge	✓	✓	✓	✓	✓	✓	✓
	Financial performance	✓	✓	✓	✓	✓	✓	✓
	Advising on Risk mitigation and Compliance requirements	✓	✓	✓	✓	✓	✓	✓

REPORT ON CORPORATE GOVERNANCE (Contd...)

Particulars	Detailed list of core skills, expertise and competencies	Name of Directors who have skills, expertise and competence						
		Shri. B.K. Patodia	Shri. B.L. Singhal (up to 18.9.2024)	Shri N. K. Bafna	Shri. V. N. Balakrishnan	Shri. C. K. Gopalakrishnan Nair	Smt. Kalpana M. Thakker	Shri. Umang Patodia
Expertise	Knowledge of Spinning Industry	✓			✓	✓	✓	✓
	Commercial acumen	✓	✓	✓	✓	✓	✓	✓
	Procurement of right quality of raw cotton at competitive prices	✓			✓	✓	✓	✓
Competencies	Strategic Leadership	✓	✓	✓	✓	✓	✓	✓
	Execution of policies framed by the Board	✓	✓	✓	✓	✓	✓	✓
	Identifying the growth areas for expanding the business	✓	✓	✓	✓	✓	✓	✓
	Advising on Business Risks & environment	✓	✓	✓	✓	✓	✓	✓

i) Confirmation of Board regarding Independent Directors:

Board of Directors confirms that the Independent Directors fulfil the conditions specified in the SEBI (LODR) Regulations, 2015 as amended from time to time and are Independent of the Management.

j) Separate meeting of Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors. The meeting of Independent Directors held on 08.03.2025, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, and Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

k) Evaluation of the Board's Performance

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. The Directors expressed their satisfaction with the evaluation process. The performance evaluation of the Chairman and Managing Director and Non-Independent Directors was carried out by the Independent Directors. The Independent Directors reviewed key transactions (including related party transactions), quality & timeliness of flow of information, recommended measures for corporate governance etc.

REPORT ON CORPORATE GOVERNANCE (Contd...)

I) Code of Conduct

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm semi-annual Compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website www.gtn textiles.com

3. Audit Committee

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015.

A. The role of the audit committee shall include the following

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for terms of appointment and remuneration of Auditors of the Company;
- (3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- (4) Review with the management and statutory auditors of the annual financial statements thereon before submission to the Board with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any Related Party Transactions;
 - g. Modified opinion(s) in the draft Audit Report;
- (5) Reviewing, with the management the quarterly financial statements before submission to Board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue/rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice / and the report to be submitted by monitoring agency with regard to utilization of proceeds of a public or rights issue, and making appropriate recommendation to company's Board.
- (7) Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions with related parties;
- (9) Scrutiny of Inter-Corporate Loans and Investments;
- (10) Valuation of undertakings or assets of the company, wherever it is necessary;
- (11) Evaluation of Internal Financial Controls and Risk Management Systems;
- (12) Review with the Management, Statutory Auditors and the Internal Auditors about the nature and scope of audits and of the adequacy of internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up thereon;

REPORT ON CORPORATE GOVERNANCE (Contd...)

- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature of scope of audit as well as cost audit discussion to ascertain any area of concern;
- (17) To look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (21) To review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc on the listed entity and its shareholders:

B. The Audit Committee shall also mandatorily review the following information

- (1) Management Discussion and Analysis of financial condition and results of operations;
- (2) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (3) Internal Audit Reports relating to internal control weaknesses and;
- (4) the appointment, removal and terms of remuneration of the Chief Internal Auditor
- (5) Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable.

Internal Audit

The Company has adequate internal control and Internal Audit System commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

Composition and Attendance during the year

All members of the Committee are financially literate. Shri. B.L.Singhal, Chairman (up to 18.9.2024), Shri. N.K.Bafna, Chairman (effective 19.9.2024), Shri C.K. Gopalakrishnan Nair, Shri V.N. Balakrishnan, Shri B.K. Patodia (up to 18.9.2024) and Shri Umang Patodia (effective 19.9.2024) are members having the relevant accounting and financial management expertise.

The Composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2025 are as under:

Sl. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1.	Shri. B.L. Singhal, Chairman (up to 18.9.2024)	Non-Executive Independent Director	2	2
2.	Shri. N.K. Bafna, Chairman (wef 19.9.2024)	Non-Executive Independent Director	6	6
3.	Shri. V.N. Balakrishnan	Non-Executive Independent Director	6	6

REPORT ON CORPORATE GOVERNANCE (Contd...)

Sl. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
4.	Shri C.K. Gopalakrishnan Nair	Non-Executive Independent Director	6	6
5.	Shri B.K. Patodia (up to 18.9.2024)	Managing Director	2	2
6.	Shri. Umang Patodia (w.e.f 19.9.2024)	Non-Executive Director	4	4

The Audit Committee met six (6) times during the financial year 2024-25 and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 21st May 2024, 13th August 2024, 26th October 2024, 11th November, 2024, 21st December 2024, and 10th February, 2025. Required quorum was present at the above meetings.

The Audit Committee meetings are usually attended by the Managing Director, Chief Executive, CFO, Head of Finance and the respective departmental heads, wherever required. The Company Secretary acts as the Secretary of the Audit Committee. The Statutory Auditors, Internal Auditors as well as other Board Members also attended the Audit Committee meetings by invitation. All the recommendations of the Audit Committee have been accepted by the Board of Directors. During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

Internal Audit and Control:

M/s Varma & Varma, Chartered Accountants, Kochi, Internal Auditors carried out Internal Audit of the Company. Internal Audit Plan and their remuneration are being approved by the Audit Committee. The reports and findings of the Internal Auditors and the Internal Control Systems are periodically reviewed by the Audit Committee.

Prevention of Insider Trading:

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ("the PIT Regulations"). The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing with the shares of the Company. The Audit Committee monitors implementation and compliance of the Company's Code of Conduct and Shri. E.K. Balakrishnan, Vice President (Corporate Affairs) and Company Secretary is the Compliance Officer of the Company. The Code is displayed on the Company's website viz. www.gtn textiles.com

Vigil Mechanism:

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle blower Policy is displayed on the Company's website viz. www.gtn textiles.com

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2025 are as under:

REPORT ON CORPORATE GOVERNANCE (Contd...)

Sl. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1.	Shri. B.L. Singhal, Chairman (up to 18.9.2024)	Non-Executive Independent Director	0	0
2.	Shri. N.K. Bafna, Chairman (wef 19.9.2024)	Non-Executive Independent Director	1	1
3.	Shri. V.N. Balakrishnan	Non-Executive Independent Director	1	1
4.	Shri. C.K. Gopalakrishnan Nair	Non-Executive Independent Director	1	1

During the year under review, the Committee met on 08.03.2025.

Role of Committee shall, inter-alia include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (1A) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and also on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as Independent Director shall have the capabilities referred identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) 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 directors their appointment and removal.
- (5) 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;
- (6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act. The Committee also evaluated performance of the entire Board as per Regulation 19 of the SEBI (LODR), Regulations 2015.

Remuneration to the Managing Director

The aggregate of salary and perquisites paid for the year ended 31st March, 2025 to Shri. B.K. Patodia, Managing Director is ₹ 41.98 lacs

Besides this, the Managing Director was also entitled to Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent not taxable and Gratuity as per the Rules of the Company.

The Committee also met on 05.08.2025 and approved (i) appointment of Shri Umang Patodia (DIN: 00003588), as Managing Director for a period of five years w.e.f 06.08.2025 to 05.08.2030 and also fixed remuneration for a period of three years from 06.08.2025 till 05.08.2028 (ii) re-appointment of Shri N.K. Bafna (DIN:00019372) and Shri C.K. Gopalakrishnan Nair (DIN: 00521840) for their second term tenure of five consecutive years from the conclusion of 20th Annual General Meeting till 25th Annual General Meeting and (iii) re-appointment of Smt Kalpana Mahesh Thakker, Director retire by rotation basis.

REPORT ON CORPORATE GOVERNANCE (Contd...)

The remuneration package approved by the Nomination & Remuneration Committee to Shri Umang Patodia, Managing Director is given under:

a) Salary:

₹ 3,00,000/- per month in the Scale ₹ 300000– ₹ 10000– ₹ 320000 for period from 06.08. 2025 to 05.08.2028.

b) Commission:

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013 such percentage of the Net Profit of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 2% of the Net Profits of the Company, each year, restricted to an overall limit of ₹ 60 lacs per annum.

c) Perquisites as follows:

- (i) Housing: Rent free accommodation will be provided to the appointee for which actual amount of lease rental paid or payable by the Company or 10% of the salary, whichever is lower, shall be recovered. In case no accommodation is provided by the Company, House Rent Allowance, subject to a ceiling of 60% of the appointee's salary shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- (iii) All Medical Expenses incurred by the appointee for self and his family shall be reimbursed.
- (iv) Leave Travel Concession for the appointee and his family will be allowed once in a year as per the Rules of the Company.
- (v) Fees of Clubs: Subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
- (vi) Personal Accident Insurance: As per Rules of the Company.
- (vii) Provision of Car with driver and telephone at the residence for use of Company's business.

Perquisites not included in Managerial Remuneration

- a) Contribution to Provident Fund, Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a months salary for each completed year of service; and
- c) Encashment of leave at the end of the tenure.
- d) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

e) Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.

Since Shri. Umang Patodia is holding position of Managing Director in two companies, the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the company of which he is a managerial person.

Furthermore, approval of the members in general meeting by way of a special resolution is required to be obtained for payment of minimum remuneration, by way of salary and perquisites and allowance as specified above in the event of absence or inadequacy of profits in any financial year during the tenure of Shri Umang Patodia as Managing Director of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd...)

Remuneration to Non-Executive Directors:

No Remuneration is paid to Non-Executive Directors except sitting fee for attending the meeting of the Board and Committees thereof.

The details of payment of sitting fee is as under;

Meeting	Amount (in ₹)
Board	7500
Committee	5000

The Fee paid for the year ended 31st March, 2025 to the Non-Executive Directors is as under:

Name of the Non-Executive Director	Sitting fee (₹)
Shri B L Singhal (up to 18.9.2024)	25000
Shri. N K Bafna	90000
Shri.V N Balakrishnan	90000
Shri.C K Gopalakrishnan	90000
Smt. Kalpana Mahesh Thakker	37500
Shri Umang Patodia	70000
Total	402500

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

Remuneration Policy

The remuneration policy of your company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The company endeavors to attract, retain, develop and motivate a high performance work force. The company follows a mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

5. Stakeholders Relationship Committee

Pursuant to provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, Stakeholders Relationship Committee of the Board of Directors has been constituted.

The role of the committee shall inter-alia include the following

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (5) Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants

The Committee was chaired by Shri B.L.Singhal up to 18.9.2024. Effective 19.9.2024 Shri N K Bafna is the Chairman and Shri. C.K. Gopalakrishnan Nair, Shri. V.N. Balakrishnan and Shri. Umang Patodia are the members.

REPORT ON CORPORATE GOVERNANCE (Contd...)

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31st March, 2025 are as under:

Sl. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1.	Shri. B.L. Singhal, Chairman (up to 18.9.2024)	Non-Executive Independent Director	0	0
2.	Shri. N.K. Bafna, Chairman (wef 19.9.2024)	Non-Executive Independent Director	1	1
3.	Shri. V.N. Balakrishnan	Non-Executive Independent Director	1	1
4.	Shri. C.K. Gopalakrishnan Nair	Non-Executive Independent Director	1	1
5.	Shri. B.K. Patodia (up to 18.9.2024)	Managing Director	0	0
6.	Shri. Umang Patodia (wef 19.9.2024)	Non-Executive Director	1	1

Shri. E.K. Balakrishnan, Vice President (Corporate Affairs) and Company Secretary is the Secretary to the Committee

The details of correspondences / grievances received and redressed during FY 2024-25 through the Registrar M/s. Integrated Registry Management Services Pvt. Ltd. are as under:

Sl. No.	Particulars	No. of Complaints
1.	Investor Correspondence / Complaints pending at the beginning of the year	Nil
2.	Investor Correspondence / Complaints received during the year	Nil
3.	Investor Correspondence / Complaints disposed during the year	Nil
4.	Investor correspondence / complaints remaining unresolved at the end of the year	Nil

Since compliance pursuant to clause 40(9) of the SEBI (LODR), Regulations 2015 was omitted by the SEBI (LODR) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024, no yearly certificate submitted.

Corporate Social Responsibility (CSR)

As per the provisions of Section 135 read with the Section 198 of the Companies Act 2013, the company do not have CSR obligation for the year 2024-25. Accordingly, there has been no meeting of CSR Committee held during the year under review

Senior Management

Senior Management includes Managing Director, Head - Finance, Chief Financial Officer, Company Secretary and Heads of Department viz; Finance & Accounts, Human Resources, Information & Technology, Marketing & Logistics and Corporate Affairs.

There is no change since the close of the financial year.

6. Disclosures:

Basis of Related Party Transactions

All transaction entered into by the Company with related parties, during FY 2024 – 25, were in ordinary course of business and on arm's length basis. The Company has formulated a framework for Related Party Transactions as displayed on the Company's website www.gtn textiles.com which is followed for identifying, entering into and monitoring related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably. The Audit Committee reviews on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the approval granted. The Company has obtained Shareholders approval to enter into Related Party Transactions.

REPORT ON CORPORATE GOVERNANCE (Contd...)

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Board Disclosures - Risk Management:

The Company has laid down procedures to inform the Board of Directors about the risk assessment and minimization procedures. The Audit Committee and the Board of Directors review these procedures, periodically.

Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations

The Company has not raised funds through preferential allotment or Qualified Institutional Placement during the year under review.

Credit Rating

Company has fully repaid all its bank dues and as on date there are no bank borrowings, hence no External credit rating sought.

Annual Secretarial Compliance

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretary under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The Company has engaged Shri. MRL Narasimha, Practicing Company Secretary, Coimbatore as Secretarial Auditor of the company for providing the above Certificate and the same has been Submitted to Stock Exchange within prescribed time limit

Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Shri. MRL Narasimha, Practicing Company Secretary, Coimbatore, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority has been annexed to this Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report have not been included separately in the Annual Report to the shareholders, as explained in Board's Report.

Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary has carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL. The said Report is filed with the Stock Exchange on quarterly basis and is also available on Company website at www.gtnntextiles.com

Means of communication and shareholders information

- (i) The quarterly, half-yearly and annual Financial results of the Company are published in two newspapers viz. BUSINESS STANDARD [National Daily] and DEEPIKA [Regional News Paper] and displayed on company's website www.gtnntextiles.com
- (ii) The Annual Report of the Company for the financial year 2024-25 will be emailed to the members whose email addresses are available in the depositories as per Section 136 of the Companies Act, 2013 and Regulation 36 of SEBI (LODR), Regulations 2015. For other members, who have not registered their e-mail addresses, are requested to register their email id at the earliest and ask for the soft copy of the annual report in accordance with General Circular No. 20/2020 dated 5th May 2020 issued by Ministry of Corporate Affairs (MCA) and the Circular No. SEBI / HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by SEBI, Company is not printing copies of the Annual Report. The annual report is available on the company's website.

REPORT ON CORPORATE GOVERNANCE (Contd...)

(iii) Compliance relating to matters related to Capital Markets, SEBI (LODR) Regulations 2015

The Company has complied with all the requirements of the Stock Exchange (BSE) and SEBI on matters relating to Capital Markets, SEBI (LODR) Regulations 2015 and other applicable Regulations issued by SEBI. However, BSE vide their email dated 21.11.2024 communicated non-compliance under Regulation 20(2)/(2A) of SEBI LODR Regulations 2015 for quarter ended September 30, 2024 and levied a fine of ₹ 28,320. Company communicated that Shri B.L. Singhal, Chairman completed his second term tenure on 18.9.2024 and effective from 19.9.2024, Shri N K Bafna Independent Director took Chairmanship vide Board's approval dated 13.8.2024. BSE then vide email dated 27.11.2024 advised the Company to apply for waiver of fine at a payment of processing fee of ₹ 11800. The Company applied for waiver of the fine on 29.11.2024 and the same is pending with BSE.

(iv) Confirmation pursuant to Regulation 26 (6) of Listing Regulation

In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

7. MD and CFO Certification

The Managing Director and CFO of the Company give quarterly / annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015.

8. Compliance on Corporate Governance

The quarterly compliance report has been submitted to BSE Ltd. in the requisite format duly signed by the compliance officer. Pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015, the Practicing Company Secretary's certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

9. General Body Meetings:

A. Location, date and time of the Annual General Meetings held during the preceding 3 years and special resolution passed:

Year	Location	Date	Day	Time	Whether any Special Resolution passed in previous AGM
2023-24	Registered Office of the company through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	12.9.2024	Thursday	11.30 AM	(1) Approval under Section 185 of the Companies Act, 2013 w.r.t loan to be given to M/s Patspin India Ltd (2) Approval under Section 186 of the Companies Act, 2013 w.r.t loan to be given to M/s Patspin India Ltd
2022-23	-do-	29.9.2023	Friday	12.15 PM	(1) Shifting of Company's registered office from Door No. VIII/911 Erumathala Post, Aluva, Ernakulam - 683105 to 6 th Floor, Palal Towers, MG Road, Ravipuram, Ernakulam, Kochi-682016 (2) To fix remuneration of Shri. B.K. Patodia (DIN: 00003516), Chairman & Managing Director of the Company,

REPORT ON CORPORATE GOVERNANCE (Contd...)

Year	Location	Date	Day	Time	Whether any Special Resolution passed in previous AGM
2021-22	-do-	30.09.2022	Friday	12.15 PM	Sale / lease / transfer / assign or otherwise dispose of the whole, or substantially the whole of the undertaking including disposal of land, building and plant & machinery either together or separately in piecemeal, situated at Erumathala PO, Keezhumad Village, Aluva 683112, Ernakulam District, Kerala State

B. Whether any special resolution passed last year through postal ballot – Yes

If yes, details of voting pattern :

Description of resolution	Votes in favour of the Resolution			Votes against the Resolution			Invalid Votes	
	No. of members voted	No. of valid votes cast (shares)	% of total number of valid votes cast	No. of members voted	No. of valid Votes cast (shares)	% of total number of valid votes cast	Total No. of members whose votes were declared invalid	Total No. of invalid votes cast (shares)
To lend up to ₹ 400 Lakhs to Associate Company M/s Patspin India Ltd.	186	225541	96.56	10	8015	3.43	-	-

The Ordinary Resolution was passed with requisite majority.

D. Person who conducted the postal ballot exercise – Shri MRL Narasimha, FCS, Practising Company Secretary

E. Whether any special resolution is proposed to be conducted through postal ballot ? – No

F. Procedure for postal ballot – N.A.

10. Compliance in respect of non-mandatory requirements

a) The Board

The Company meets expenses to maintain Chairman's office in the performance of his duties.

b) Shareholder Rights

The Company's quarterly and half yearly results are published in the Newspaper and also uploaded on its website www.gtn textiles.com. Therefore, no individual communication is sent to shareholders on the quarterly and half yearly financial results. However, if requested, the Company provides the same to them individually.

c) Audit Qualifications

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

d) Reporting of internal Auditor

The Internal Auditor participates in the meetings of the Audit Committee of the Board of Directors and presents his internal audit observations to the Committee.

REPORT ON CORPORATE GOVERNANCE (Contd...)

e) Total fees for all services paid by the listed entity to the statutory auditor

Total Fees paid to Statutory Auditors is ₹ 2.95 Lakhs.

f) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The listed entity has no material subsidiaries. However, the Company has an Associate Company, M/s Patspin India Ltd.

Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment. During the year under review, the company has not received any complaint in this regard.

11. General Shareholder information:

I) Annual General Meeting:

a.	Date and Time	Monday, 29 th September 2025 at 11.30 AM
b.	Venue	The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated 13 th January 2021 and as such there is no requirement to have a venue for the AGM
c.	Book closure date	Wednesday 24 th September 2025 to Monday 29 th September 2025
	Financial calendar (tentative):	
	Annual General Meeting	Monday, 29 th September 2025
	Results for quarter ended 30 th June, 2025	5 th August 2025
	Results for quarter ending 30 th Sept., 2025	On or before 14 th November, 2025
	Results for quarter ending 31 st Dec., 2025	On or before 14 th February, 2026
	Results for Year ending 31 st March, 2026	On or before 30 th May, 2026

II) Listing

a)	Listing of Equity Shares on Stock Exchanges at	: BSE Limited (BSE). Scrip Code No: 532744
b)	Listing Fee	: Annual Listing fee for the year 2025-26 have been duly paid to the Stock Exchange within prescribed time limit.
	Demat ISIN Nos. in NSDL and CDSL for Equity Shares	: INE302H01017

Registrar and Transfer Agents (Share Transfer and communication regarding Share Certificates, Dividends and change of Address)	M/s Integrated Registry Management Service Private Ltd 2 nd Floor, Kences Towers, No. 1, Ramakrishna Street, T Nagar, Chennai - 600 017 Tel: 044 28140801-803 E-Mail : csdstd@integratedindia.in
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III) Share Transfer Process

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer

REPORT ON CORPORATE GOVERNANCE (Contd...)

of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository. This will inter alia, bring benefits viz; (i) it shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities and (ii) transfer of securities only in demat form will lead to ease convenience and safety of transactions for investors. The Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. During the year, the Company accepted those transfer requests pertaining to securities held in physical form which were lodged for transfer before April 1, 2019 and were returned due to discrepancies. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the company. In view of the aforesaid amendment and in order to eliminate the risks associated with the physical holding of shares, members who are holding shares in physical form are hereby requested to dematerialize their holdings.

IV) Shareholding pattern and distribution on Shareholding of the Company:-

(a) Shareholding pattern as on 31st March, 2025:

Sl.No.	Category	No of shares (Issued Equity)	%
1	Promoters & Associates	7375739	63.36
2	Indian Financial Institutions, Banks, Mutual Funds	56597	0.49
3	Foreign Institutional Investors / NRIs	136802	1.18
4	Others	4071340	34.97
	Total	11640478	100.00

(b) Distribution of Shareholding as on 31.03.2025:

Sl. No.	No. of Shares Held	No. of Shareholders	% of Shareholder	No. of Shares	% of Shareholding
1	Upto 100	12095	82.1113	399364	3.4308
2	101 - 500	1692	11.4868	468229	4.0224
3	501 - 1000	417	2.8310	347811	2.9879
4	1001 - 10000	468	3.1772	1497322	12.8631
5	10001 - 100000	45	0.3055	1024371	8.8001
6	ABOVE 100000	13	0.0883	7903381	67.8957
	Total	14730	100.00	11640478	100.00

Outstanding GDRs / ADRs / Warrants or any Convertible instruments - NA

Communication sent to Physical Shareholders in compliance with SEBI Guidelines

The Company in terms of circular issued by SEBI from time to time with respect to Updation of PAN and Bank details, mandating transfer of securities only in electronic form effective from 1st April, 2019, has communicated to the shareholders through notice of each Annual General Meetings as well as separate communication letters informing shareholders of the Company holding equity shares in physical mode to furnish their PAN, KYC, Nomination Details etc., to the Registrars and Share Transfer Agent of the Company ie M/s Integrated Registry Management Service Private Ltd, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803. The Company website also hosts Form ISR-1 KYC, Form ISR-2, Form SH 13 etc which can be downloaded by Shareholders.

Share Transfer to Investor Education and Protection Fund Account (IEPF) where the dividend is unpaid or unclaimed for seven or more consecutive years

In terms of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Investor Education and Protection Fund (IEPF) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus,

REPORT ON CORPORATE GOVERNANCE (Contd...)

dividend etc.), if any, accruing on such shares shall also be credited to such IEPF and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to IEPF can be claimed back by the shareholders from Investors Education and Protection Fund Authority (IEPFA) by following the procedure prescribed under the aforesaid rules.

The company last declared dividend in FY 2007-08, thereafter no dividend was declared. The Company had sent letters to all the concerned Members and also published notice in newspaper three months before the due date asking them to claim their dividend amount to avoid transfer of the said unclaimed dividend and respective shares to IEPF. Accordingly, 202133 equity shares of the face value of ₹ 10 each for 7868 folios in respect of which dividend was not encashed for seven consecutive years were transmitted to Investor Education and Protection Fund (IEPF) Authority on 31st December 2019. The above mentioned shares were transmitted pursuant to requirement under section 124 of the Companies Act, 2013 read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

Nodal Officer

Company Secretary is the Nodal Officer & Chief Financial Officer is the Deputy Nodal Officer for the purpose of co-ordination with the IEPF Authority to ensure processing and verification of claim of the shareholders in a time bound manner.

V) Dematerialization of shares and Liquidity:

97.99% of equity shares of the company have been dematerialized (NSDL 74.16% and CDSL 23.83%) as on 31st March, 2025. The company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited whereby shareholders have an option to dematerialize their shares with either of the depositories.

VI) Plant Locations – NA

VII) Liquidity of shares:

The shares of the Company are actively traded in BSE Limited (BSE).

VIII) Address for communication

Investor Correspondence:-			
i)	For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company	a)	For shares held in Physical Form: - M/s Integrated Registry Management Service Private Ltd. 2 nd Floor, Kences Towers, No. 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803 E-Mail : corpserve@integratedindia.in
		b)	For share held on Demat form:- To the Depository Participants.
(ii)	Any query on Annual Report		Secretarial Department GTN TEXTILES LIMITED 5 th Floor, Palal Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: cs@gtntextiles.com

IX) Compliance Certificate from the Practicing Company Secretary

Compliance Certificate from Practicing Company Secretary regarding compliance of corporate governance is annexed to this report as stipulated in the SEBI (LODR) Regulations, 2015.

REPORT ON CORPORATE GOVERNANCE (Contd...)

X) Details with respect to Demat Suspense Account/Unclaimed Suspense Account as per Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	DEMAT Shareholders		Physical Shareholders	
	No of Shareholders	No. of equity shares	No. of Shareholders	No. of equity Shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 1, 2024	NIL	NIL	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense accounts during the year	-	-	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	NIL	NIL	NIL	NIL

DECLARATIONS

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all the Board members and Senior Management Personnel have affirmed compliance with GTN TEXTILES LIMITED Code and Ethics for the year ended 31st March, 2025.

For **GTN TEXTILES LIMITED**

B.K. PATODIA
Chairman & Managing Director
(DIN 00003516)

Place : Mumbai
Date : 05.08.2025

CEO/CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of **GTN TEXTILES LIMITED** (the Company) to the best of our knowledge and belief certify that;

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or violation of the Company's Code of Conduct
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee
 - i. Significant changes, if any, in internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

For **GTN TEXTILES LIMITED**

B.K. PATODIA

Chairman & Managing Director
(DIN 00003516)

Place: Mumbai
Date: 05.08.2025

M. ACHUTHAN

Chief Financial Officer

Place: Kochi
Date: 05.08.2025

CERTIFICATE

Based on my verification of books, papers, forms and returns filed and other records maintained by GTN TEXTILES Limited ("The Company"), and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, I hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such authority as on 31st March, 2025.

MRL Narasimha

Practicing Company Secretary

M.No.2851 CP No:799

PR No. 1420/2021

Place: Coimbatore

Date: 05.08.2025

UDIN: F002851G000932285

CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31.3.2025

To

The Members of **M/s. GTN TEXTILES LIMITED**

Dear Sir,

I have examined the compliance conditions of corporate governance by M/s. GTN TEXTILES LIMITED ("the Company") for the financial year ended 31st March, 2025 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the directors and management, I certify that the company has complied with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subject to Reg 20 (1), 30 (6) ii of LODR, 2015

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

Place: Coimbatore
Date: 05/08/2025
UDIN: F002851G000932296

MRL Narasimha
Practicing Company Secretary
M.No. 2851
COP :- 799
PR No.1420/2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GTN TEXTILES LIMITED., Report on the Audit of the Standalone financial statements Opinion

1. We have audited the accompanying standalone financial statements of **GTN Textiles Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss, the Statement of Changes in Equity, the Statement of Cashflows for the year then ended, and Notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as the "Standalone financial statements")
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements for the year ended 31 March, 2025 give the information required by 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 31 March, 2025, and its loss, and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Matters Relating to Going Concern

4. The Company has incurred total comprehensive loss of ₹ 743 lakhs after considering net loss of Rs 44 lakhs from continued operations Rs 738 lakhs from discontinued operations and total cash loss of Rs 755 lakhs from discontinued operations during the year ended 31 March, 2025. The net worth is eroded as on that date, this situation indicates some uncertainty about the Company's ability to continue as a going concern. However, during the period ended March 31, 2025 the Company had sold part of its Land and building (classified under Asset held for sale & balance portion of land proposed to sell). Based on the information and explanation provided in Note No 28 of the audited standalone financial statements for the year ended 31 March, 2025 and discussions held with Management, post-sale of assets, with debt free status and available surplus fund, the Management intends to carry on outsourcing of cotton yarn manufacturing/trading in cotton yarn or any other business as permitted in object clauses of the Memorandum of Association of the Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
The Company has classified its non-current assets as held for sale and presented them separately in the balance sheet. The Company has also presented the business as a discontinued operation in the statement of profit and loss.	The accounting for assets held for sale and discontinued operations contains several judgments that affect the timing of recognition, presentation in the statement of profit and loss, and measurement of balance sheet items.
The accounting for assets held for sale and discontinued operations related to the manufacturing business is considered a key audit matter given the significant judgments involved and the potential impact on the presentation of the Company's financial performance.	We read the sale agreement for the textile business and assessed whether the classification as held for sale or discontinued operations was in accordance with the relevant accounting standards.

Key Audit Matter	Auditor's Response
The divestment of the manufacturing business is a complex transaction that spans an extended period from the initiation of the sales process to finalization and expiration of agreed commitments.	We assessed management's valuation of other assets, liabilities and contingent liabilities relating to the manufacturing business and evaluated the consistency of the accounting treatment. We traced the disclosures in the standalone financial statements to the underlying accounting records and supporting documentation.

Information Other than the standalone financial statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board of director's report, but does not include the standalone financial statements and auditor's report thereon. The board of director's report is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those charged with Governance for the standalone financial statements

9. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

12. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - i. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. 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.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. 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 Companies Act, 2013, we give in "**Annexure - A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of written representations received from the directors as on 31 March 2025 taken on record by the board of directors, none of the directors are disqualified as on 31st March 2025 from being appointed as directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements.
 - ii. The Company do 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, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company did not declare or pay any dividend during the year.
 - vi. The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For L. U. Krishnan & Co
Chartered Accountants
Firm’s Registration No: 001527S

P. K. Manoj
Partner

Place: Chennai
Date : 30 May, 2025

Membership No.20755
UDIN: 25207550BMJDIZ3590

“ANNEXURE – A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 18 under ‘Report on Other Legal and Regulatory Requirements’ section of our report)

- i. a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
B. The Company does not have any Intangible Assets.
- b. The Company has a regular program of physical verification of its Property, Plant and Equipment by which its Property, Plant and Equipment are verified at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification of Property, Plant and Equipment.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a. The Company does not hold any inventory during the year, hence reporting under clause 3(ii)(a) of the Order is not applicable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no working capital facilities sanctioned/ available to the Company from its bankers on the basis of security of current assets and hence there is no requirement for submission of any quarterly statements to bankers.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with.
- v. According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to rules prescribed by the Government of India for maintenance of cost records under sub section (1) of section 148 of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been maintained. However, we have not made any detailed examination of the records.
- vii. a. According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues applicable to it and there are no arrears of outstanding statutory dues as at 31 March, 2025 for a period of more than six months from date they become payable;
- b. According to the information and explanations given to us, there were no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues which have not been deposited on account of dispute and the same being contested by the Company.

Annexure - A to the Independent Auditor's Report (Contd.)

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- ix. In respect of loans and other borrowing:
- a. The Company has not defaulted in repayments of loans or other borrowings or in the payment of interest thereon from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 - b. The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.
 - c. The Company has not taken any term loan during the year.
 - d. On examination of the standalone financial statements of the Company, Company has not raised any funds on short term basis which has been used for long-term purposes hence reporting under clause 3(ix)(d) of the Order is not applicable.
 - e. On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates hence reporting on clause 3(ix)(e) of the Order is not applicable.
 - f. The Company has not raised any loans on the pledge of securities held in its subsidiaries, associate companies during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- 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. Accordingly, reporting of the purpose for which amount raised under clause 3 (ix)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) under section 42 and section 62 of the Companies Act Accordingly, reporting of the purpose for which amount raised under clause 3 (ix)(b) of the Order is not applicable.
- xi. a. According to the information and explanations given to us, during the year Company has not noticed any fraud by the Company or on the Company.
- b. No reportable fraud has been committed by the Company hence Form ADT-4 has not been filed by the auditors as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. During the year Company has not received any whistle-blower complaints to be considered by the auditors.
- xii. Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable
- xiii. All transactions entered by the Company with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been properly disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv. a. Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the Internal Audit Reports of the Company issued by the Internal auditors for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) (a), & (b) of the Order is not applicable and Company is not a Core Investment Company and there is no core investment company within the group. Accordingly, paragraph 3(xvi) (c) & (d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of ₹ 44 Lakhs which is from continued operations, ₹ 755 Lakhs which is from discontinued operations during the year ended 31 March 2025 and cash loss of ₹ 1,354 lakhs from discontinued operations during immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the order is not applicable.

Annexure - A to the Independent Auditor's Report (Contd.)

- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, as reported in the "Material Uncertainty on Going Concern" paragraph we report that the Company has incurred total comprehensive loss of ₹743 lakhs after considering net loss of Rs 44 lakhs from continued operations Rs 738 lakhs from discontinued operations and total cash loss of Rs 755 lakhs from discontinued operations during the year ended 31 March, 2025, net worth is eroded as on that date, this situation indicates some uncertainty about the Company's ability to continue as a going concern. However, during the period ended March 31, 2025 the Company had sold part of its Land and building (classified under Asset held for sale & balance portion of land proposed to sell). Based on the information and explanation provided in Note No 28 of the audited standalone financial statements for the year ended 31 March, 2025 and discussions held with Management, post-sale of assets, with debt free status and available surplus fund, the Management intends to carry on outsourcing of cotton yarn manufacturing/ trading in cotton yarn or any other business as permitted in object clauses of the Memorandum of Association of the Company, our opinion is not modified in respect of this matter. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of section 135 of the Companies Act, 2013 which deals Corporate Social Responsibility (CSR) is not applicable. Accordingly, reporting under Paragraph 3(xx)(a) & (b) of the order is not applicable for the year.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For L. U. Krishnan & Co

Chartered Accountants

Firm's Registration No: 001527S

P. K. Manoj

Partner

Membership No.20755

UDIN: 25207550BMJDIZ3590

Place: Chennai

Date : 30 May, 2025

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 19 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of GTN Textiles Ltd ("the Company") as at 31 March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as at 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements.

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L. U. Krishnan & Co
Chartered Accountants
Firm's Registration No: 001527S

Place: Chennai
Date : 30 May, 2025

P. K. Manoj
Partner
Membership No.20755
UDIN: 25207550BMJDIZ3590

GTN TEXTILES LIMITED

STANDALONE BALANCE SHEET

	Note No.	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	784.70	1.21
(b) Financial Assets			
(i) Investments	4	1,964.77	1,964.82
(ii) Others	5	3.82	5.69
Sub-Total		2,753.29	1,971.72
2 Current assets			
(a) Financial Assets			
(i) Cash and Cash equivalents	7	19.31	13.85
(ii) Bank balances other than (i) above	8	0.28	1.83
(iii) Other financial assets	9	42.71	144.22
(b) Current tax assets (net)	10	105.18	47.97
(c) Other Current Assets	11	43.09	20.97
(d) Asset or disposal group classified as held for sale	3	3,020.65	9,157.53
Sub-Total		3,231.22	9,386.37
TOTAL ASSETS		5,984.51	11,358.09
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	1,164.05	1,164.05
(b) Other Equity	13	(423.31)	320.13
Sub-Total		740.74	1,484.18
Liabilities			
1 Non current liabilities			
(a) Financial liabilities			
Borrowings	15	199.47	182.02
(b) Deferred Tax Liabilities (net)	6	3.05	19.82
Sub-Total		202.52	201.84
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 b	2,946.07	4,325.22
(ii) Other financial liabilities	16	386.97	423.27
(b) Other current liabilities	17	891.08	876.83
(c) Provisions	18	111.32	139.66
(d) Liabilities Associated with disposal group classified as held for sale	14 a	705.81	3,907.09
Sub-Total		5,041.25	9,672.07
TOTAL EQUITY AND LIABILITIES		5,984.51	11,358.09

Significant accounting policies

1 & 2

The accompanying Notes 1 to 32 form an integral part of the Standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors

For L. U. KRISHNAN & Co.

Chartered Accountants
(ICAI FRN 001527S)

B. K. PATODIA

Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

UMANG PATODIA

Director
DIN: 00003588

P. K. MANOJ

Partner
(M. No. 207550)

Place : Chennai
Date : 30th May 2025

E.K.BALAKRISHNAN

Vice President (Corporate Affairs)
& Company Secretary

Place : Kochi
Date : 30th May 2025

ACHUTHAN M

Chief Financial Officer

Place : Kochi
Date : 30th May 2025

GTN TEXTILES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS

	Note No.	Year ended March 31, 2025 (Amount ₹ in Lakhs)	Year ended March 31, 2024 (Amount ₹ in Lakhs)
EXPENSES:			
Other expenses	19	43.98	-
Total Expenses		<u>43.98</u>	<u>-</u>
Profit/(Loss) for the year from continuing operation (A)		<u>(43.98)</u>	<u>-</u>
Profit / (Loss) for the year from discontinued operations	20	(755.14)	(1,354.13)
Tax expense for discontinued operations		(16.77)	(71.88)
Tax relating to earlier years		-	(78.00)
Profit / (Loss) for the year from discontinued operations after tax (B)		<u>(738.37)</u>	<u>(1,204.25)</u>
Other Comprehensive income (Net of Tax)			
Items that will not be reclassified subsequently to Statement of Profit or Loss			
Re-measurement of net defined benefit Obligation		38.96	(4.41)
Total Other comprehensive income (C)		<u>38.96</u>	<u>(4.41)</u>
Total comprehensive income / (loss) for the year (A) + (B) + (C)		<u><u>(743.39)</u></u>	<u><u>(1,208.66)</u></u>
EARNINGS PER EQUITY SHARES OF ₹ 10 EACH	21		
Basic and Diluted continuing operation (in ₹)		(0.38)	-
Basic and Diluted discontinued operation (in ₹)		(6.34)	(10.35)
Significant accounting policies	1 & 2		
The accompanying Notes 1 to 32 form an integral part of the Standalone financial statements			

As per our report of even date

For L. U. KRISHNAN & Co.

Chartered Accountants
(ICAI FRN 001527S)

P. K. MANOJ

Partner
(M. No. 207550)

Place : Chennai

Date : 30th May 2025

For and on behalf of the Board of Directors

B. K. PATODIA

Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

E.K.BALAKRISHNAN

Vice President (Corporate Affairs)
& Company Secretary

Place : Kochi

Date : 30th May 2025

UMANG PATODIA

Director
DIN: 00003588

ACHUTHAN M

Chief Financial Officer

Place : Kochi

Date : 30th May 2025

CASH FLOW STATEMENT

	2024-25 (Amount ₹ in Lakhs)	2023-24 (Amount ₹ in Lakhs)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS ON CONTINUING & DISCONTINUING OPERATION	5.46	(6.40)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13.85	20.25
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19.31	13.85

Note:

Since cotton yarn manufacturing operations were discontinued during the second quarter of FY 2022-23 onwards, there is no cash flow from operating, investing and financing activities for the FY 2023-24 and FY 2024-25.

The accompanying Notes 1 to 32 form an integral part of the Standalone financial statements

As per our report of even date

For L. U. KRISHNAN & Co.
Chartered Accountants
(ICAI FRN 001527S)

P. K. MANOJ
Partner
(M. No. 207550)

Place : Chennai
Date : 30th May 2025

For and on behalf of the Board of Directors

B. K. PATODIA
Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

E.K.BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary

Place : Kochi
Date : 30th May 2025

UMANG PATODIA
Director
DIN: 00003588

ACHUTHAN M
Chief Financial Officer

Place : Kochi
Date : 30th May 2025

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

A. Equity Share Capital

(1) Current Reporting Period-As at March 31, 2025

(Amount ₹ in Lakhs)

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the year end
1164.05	NIL	1164.05

(2) Previous Reporting Period-As at March 31, 2024

Balance at the beginning of the year	Changes in equity share capital during the previous year	Balance at the year end
1164.05	NIL	1164.05

B. Other Equity

(1) Current Reporting Period-As at March 31, 2025

(Amount ₹ in Lakhs)

	Equity component of financial instruments	Reserves and Surplus		Equity Instruments through Other Comprehensive Income	Revaluation Surplus	Other Comprehensive Income	Total
		General Reserve	Retained Earnings			(Re-measurement of Employee Benefit)	
Balance at the beginning of the current reporting period	327.98	2,092.36	(10,922.41)	(0.10)	9,110.16	(287.86)	320.13
Equity portion of 6.5% NCNCNPRP shares transferred	(17.46)		17.46				-
Revaluation Reserve transferred to Retained earnings *			5,306.17		(5,306.17)		-
Fair Value Through Other Comprehensive Income				(0.05)		38.96	38.91
Total Comprehensive Income for the year ended 31 st March 2025			(782.35)				(782.35)
Balance at the end of the current reporting period	310.52	2,092.36	(6,381.13)	(0.15)	3,803.99	(248.90)	(423.31)

* Proportionate revaluation surplus on 16.39 acres of land sold during the year transferred to retained earnings.

(2) Previous Reporting Period-As at March 31, 2024

(Amount ₹ in Lakh)

	Equity component of financial instruments	Reserves and Surplus		Equity Instruments through Other Comprehensive Income	Revaluation Surplus	Other Comprehensive Income	Total
		Other Reserves (General Reserve)	Retained Earnings			(Re-measurement of Employee Benefit)	
Balance at the beginning of the current reporting period	343.91	2,092.36	(9,734.09)	(0.19)	9,110.16	(283.45)	1,528.70
Equity portion of 6.5% NCNCNPRP shares transferred	(15.93)	-	15.93	-	-	-	-
Fair Value Through Other Comprehensive Income	-	-	-	0.09	-	(4.41)	(4.32)
Total Comprehensive Income for the year ended 31 st March 2024	-	-	(1,204.25)	-	-	-	(1,204.25)
Balance at the end of the current reporting period	327.98	2,092.36	(10,922.41)	(0.10)	9,110.16	(287.86)	320.13

The accompanying Notes 1 to 32 form an integral part of the Standalone financial statements

As per our report of even date

For L. U. KRISHNAN & Co.
Chartered Accountants
(ICAI FRN 001527S)

P. K. MANOJ
Partner
(M. No. 207550)

Place : Chennai
Date : 30th May 2025

For and on behalf of the Board of Directors

B. K. PATODIA
Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

E.K.BALAKRISHNAN
Vice President (Corporate Affairs) & Company Secretary

Place : Kochi
Date : 30th May 2025

UMANG PATODIA
Director
DIN: 00003588

ACHUTHAN M
Chief Financial Officer

Place : Kochi
Date : 30th May 2025

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Significant Accounting Policies and notes forming part of the Financial statements as at and for the year ended 31st March, 2025.

1 Corporate Information:

GTN Textiles Limited ('the company') is a Public Limited company incorporated and domiciled in India. The registered office of the company is at 61/464, 6th Floor, Palal Towers, Ravipuram, MG Road, Cochin-682016, Kerala State, India. The company was Incorporated under the provisions of The Companies Act, 1956 and its equity shares are listed on the Bombay Stock Exchange(BSE) in India. The Company is engaged primarily in trading of cotton yarn and realty segment. The company was registered as "Medium Enterprises - Manufacturing" on 14th August 2020 under the Provisions of MSMED Act 2006 as per the registration certificate obtained from Udyam portal of Ministry of MSME. Due to non-viability, the Board of Directors have approved permanent closure of its cotton yarn manufacturing operation at its Aluva, Kerala plant w.e.f, 13.06.2022. Presently, the Company is carrying on trading in cotton yarn or such business as permitted in objects clause of the Memorandum of Association of the Company.

2 Significant Accounting Policies

2.1 Basis of preparation and Measurement of financial statements:

Statement of Standalone Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies(Indian Accounting Standards) Rules, 2015(as amended from time to time) and presentation and disclosures requirement of Division II of revised schedule III of the Companies Act 2013, (Ind AS Complained Schedule III), as applicable to Standalone financial statement. Accordingly the company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit or Loss ,the Statement of Cash Flow and the Statement of changes in Equity for the year ended as on that date, and accounting policies and other explanatory information(together hereinafter referred to as "Standalone financial statements").This financial statements were authorised for issue by the Board of Directors in their meeting on 30th May 2025.

2.2 Amendments to the existing Accounting Standards issued effective from 01.04.2023 onwards

The details of amendment to the existing standards that are relevant to the Company with effect from 01.04.2023 are given below:

The amendment to Ind AS 1 on 'presenting of financial statements' stipulates that the entity shall disclose material accounting policy information rather than significant accounting policies. Accounting policy information is considered material when accounting policy is related to a material transaction, event, or condition and involves either a change in accounting policy or one or more permissible accounting policy choices or accounting policy development in the absence of specific standard, or significant judgement or assumptions involved in applying such policy, or complexity of accounting requiring one or more application of Ind AS.

Accordingly, the Company has revised its accounting policy disclosures by specifically providing only material accounting policy ensuring no obscuring information. The above amendments are no financial effect on company.

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended / notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2024:

Insurance contracts - Ind AS 117; and

Lease Liability in Sale and Leaseback- Amendments to Ind AS 11

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

2.3 Rounding of amount

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh unless otherwise stated.

2.4 Historical Cost Convention

The financial statements have been prepared under the historical cost convention, on the basis of a going concern and on accrual basis except for the following items –

- a. Certain Financial Assets and Liabilities (including derivative instruments) are measured at Fair value
- b. Defined benefit employee plan - Plan assets measured at fair value

2.5 Use of Estimates

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

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

2.6 Classification of Assets and Liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisations in cash and cash equivalents, the Company has ascertained its operating cycle as 12 (twelve) months for the purpose of current and non-current classification of assets and liabilities.

2.7 Property, Plant and Equipment:

All items of property, plant and equipment are stated at cost net of accumulated depreciation and impairment, if any. The cost comprises its purchase price and any cost directly attributable to bringing the Property, Plant and Equipment to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising from the retirement of and gains or losses arising from disposal of Property, plant and equipment are recognised in the statement of profit and loss.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any property, plant and equipment may be impaired, if any such indication exists, the carrying value of such property, plant and equipment is reduced to recoverable amount and the impairment loss is charged to statement of profit and loss. If at the Balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed, and the asset is restated to that extent.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of 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 such property, plant and equipment except Free hold Land for which the company had adopted

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

revaluation model pursuant to the para 29 to 31 of Ind AS 16 and recognised revalued cost as its deemed cost as at 1st April 2016.

Revaluation of freehold land would be carried at sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

2.8 Depreciation

Depreciation has been provided on straight line method based on useful life of Assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation is provided pro-rata from the date of capitalisation and depreciation is calculated on the carrying amount, which is the cost of an asset less its residual value.

2.9 Intangible Assets

Intangible assets are carried at cost, net of accumulated amortization and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

The Company assesses at each Balance sheet date whether there is any indication that any intangible asset may be impaired, if any such indication exists, the carrying value of such intangible asset is reduced to recoverable amount and the impairment loss is charged to statement of profit and loss. If at the Balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed, and the asset is restated to that extent.

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

2.10 Amortization

Intangible assets are amortized based on their estimated useful lives.

2.11 Investments

The Company has elected to measure investment in equity shares of associate company at deemed cost, which is previous GAAP carrying amount. Accordingly, under Ind AS, the Company has recognised investment as follows:

Equity shares of associate company - At deemed cost.

Quoted equity shares in other Company - At fair value.

Unquoted Equity shares - At fair value through profit and loss (FVTPL)

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.12 Inventories

Inventories are stated at lower of cost or net realisable value. Goods in process is stated at cost. The cost includes cost of purchase, freight, taxes and duties and is net of input credit where ever applicable, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Raw Material, Stores & Spares are considered at "weighted average" cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale. Adequate provision is made for obsolete, Non-moving and Slow-moving items.

2.13 Financial Assets / Liability Policy

a. Financial Assets

Classification and Measurement

All the financial assets are initially measured at fair value. Transactions costs that are directly attributable to the acquisition of financial asset (other than financial assets carried at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Subsequent measurement

Subsequent measurement of financial assets depends on the classification i.e financial assets carried at amortised cost or fair value (either through other comprehensive income or through profit and loss). Such classification is determined on the basis of Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's financial assets primarily consists of cash and cash equivalents, trade receivables, balance with statutory authority, loans and advances and security deposits etc which are classified as financial assets carried at amortised cost.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

A gain or loss on financial asset that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is recognized using the effective interest rate method.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company provides for lifetime expected credit losses recognized from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is de-recognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

b. Financial liabilities

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables.

Subsequent measurement

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

Financial liabilities at fair value through statement of profit and loss :

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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 subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

De-recognition

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Derivative financial instruments

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

2.14 Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.15 Revenue Recognition

Revenue 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. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of Goods:

Revenue from sale of goods are recognised on transfer of significant risk and rewards of ownership to the buyer which generally coincides with shipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from sale of land and plots:

In respect of realty business segment the revenue from sale of land and plots is recognised in the year in which the underlying sale deed is executed and there exists no uncertainty in the ultimate collection of consideration from buyers.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Rendering of Services :

Service revenues are recognised when services are rendered, and when the outcome of the transaction can be estimated reliably.

Dividend, Interest income, Claims:

Dividend income from investments is recognised when the Company's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Company as also the amount of dividend income can be measured reliably.

Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably.

Insurance and other Claims are accounted for when no significant uncertainties are attached to their eventual receipt.

2.16 Borrowing

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

2.17 Borrowing cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. All other Borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

2.18 Short-term Employee Benefits

Short Term employee benefits including accrued liability for Leave Encashment (other than termination benefits) which are payable within 12 (twelve) months after the end of the period in which the employees render service are paid/ provided during the year, as per the Rules of the Company.

Defined Contribution Plans:

Company's contributions paid/payable during the year to Provident and Family Pension Funds, and Employees State Insurance are recognized in the Statement of Profit and Loss.

Defined Benefit Plans:

The Employees' Gratuity Fund Scheme covered by the Group Gratuity cum-Life Assurance Policy of LIC of India is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method which recognizes each period of service as giving rise to additional amount of employees benefit entitlement and measures each unit separately to build up the final obligation.

2.19 Foreign currency Transactions

Initial recognition:

Transactions in Foreign Currencies entered into by the Company are accounted at the exchange rate prevailing on the date of the transaction.

Measurement:

Foreign Currency monetary items of the Company outstanding at the balance sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Treatment of exchange difference

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

2.20 Taxation

- a. Current tax is made on the basis of estimated taxable income for the year or computed in accordance with the Income-Tax Act, 1961 and recognized in the statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.
- b. Deferred tax on account of timing differences, between taxable income and accounting income is recognized using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these would be realized in future.
- c. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.21 Provisions and Contingent Liabilities:

Provisions: Provisions are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities:

Contingent liabilities is a possible obligation in the normal course of business arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.22 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated.

2.23 Cash and Cash equivalents Policy:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.24 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.25 Exceptional Items:

When an item of income or expense within profit or loss from ordinary is of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the year, the nature and amount of such items is disclosed as exceptional items.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)
31ST MARCH 2025 (Contd.)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)
3 Property, Plant and equipment (Amount ₹ in Lakhs)

Gross amount	Assets held for Sale			Assets Not held for Sale				Total
	Freehold Land	Buildings	Plant and Equipment	Sub-Total	Freehold Land	Furniture	Office Equipment	Sub-Total
Balance as at 1st April 2023	9,110.50	1,577.76	1,955.94	12,644.20	-	86.07	239.28	386.61
Additions	-	-	-	-	-	-	-	-
Disposal /adjustments	-	1,197.92	1,955.94	3,153.86	-	86.07	239.28	325.35
Balance as at 31st March 2024	9,110.50	379.84	-	9,490.34	-	-	-	61.26
Additions	-	-	-	-	-	-	-	-
Disposal /adjustments	5,306.36	379.84	-	5,686.20	-	-	-	39.88
Disposal /adjustments	(783.49)	-	-	(783.49)	783.49	-	-	783.49
Balance as at 31st March 2025	3,020.65	-	-	3,020.65	783.49	-	-	804.87
Accumulated depreciation and impairment								
Balance as at 1st April 2023	-	1,330.35	1,717.35	3,047.70	-	84.71	238.64	383.40
Disposal /adjustments	-	997.54	1,717.35	2,714.89	-	84.71	238.64	323.35
Depreciation expense	-	-	-	-	-	-	-	-
Balance as at 31st March 2024	-	332.81	-	332.81	-	-	-	60.05
Disposal /adjustments	-	332.81	-	332.81	-	-	-	39.88
Depreciation expense	-	-	-	-	-	-	-	-
Balance as at 31st March 2025	-	-	-	-	-	-	-	20.17
Net carrying Amount								
As at 31 st March, 2024	9,110.50	47.03	-	9,157.53	-	-	-	1.21
As at 31 st March, 2025	3,020.65	-	-	3,020.65	783.49	-	-	784.70

Note:

Class of Asset - Freehold Land	Book Value (Rupees in Lakhs)	Revaluation surplus recognised in other equity
Land held for sale as at 31 st March, 2024 Area 28.14 Acres	9110.50	9110.16
Land sold during the year 2024-25 Area 16.39 Acres	5306.36	5306.17
Land re-grouped for not held for sale area 2.42 Acres	-783.49	783.46
Balance Land held for sale as at 31 st March, 2025 area 9.33 Acres	4587.63	3020.53

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
Financial Assets		
4 Non - Current Investments		
(A) Quoted equity instruments		
Associate		
Patspin Inida Limited (Carried at Cost) (1,42,87,068 Equity shares of ₹10 each)	1,964.26	1,964.26
Others:		
Central Bank of India (243 Equity shares of ₹10 each)	0.10	0.15
Aggregate amount of quoted investments - Sub - Total (A)	<u>1,964.36</u>	<u>1,964.41</u>
Market value of Quoted instrument	1,334.52	1,603.15
(B) Unquoted equity instruments		
GTN Consumer Co-operative stores Limited (2100 Shares of ₹10 each)	0.21	0.21
GTN Textiles Employees Credit Co-operative Society Limited (200 Equity shares of ₹10 each)	0.20	0.20
Aggregate amount of unquoted investments - Sub - Total (B)	<u>0.41</u>	<u>0.41</u>
TOTAL (A) + (B)	<u>1,964.77</u>	<u>1,964.82</u>
5 Other Financial Assets		
Security Deposits	3.82	5.69
	<u>3.82</u>	<u>5.69</u>
6 Deferred Tax Liability (Net)		
a Deferred Tax Liability		
Related to Property plant and Equipment	81.05	97.82
b Deferred Tax Asset	-	-
	<u>81.05</u>	<u>97.82</u>
c Minimum Alternate Tax Credit entitlement	78.00	78.00
Net Deferred Tax (Liability) / Asset (a - b - c)	<u>3.05</u>	<u>19.82</u>
* Refer Note 29		
7 Cash and Cash equivalents		
Cash on Hand	0.02	0.65
Balance with Banks - In Current Accounts	19.29	13.20
	<u>19.31</u>	<u>13.85</u>
8 Bank balances other than 7 above		
Balance with Banks - In Escrow Account	0.28	1.83
	<u>0.28</u>	<u>1.83</u>
9 Other financial assets		
Security Deposit	0.95	144.22
Interest on Security deposit/ Loans and advances	41.76	-
	<u>42.71</u>	<u>144.22</u>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
10 Current tax assets		
Income Tax (TDS)	105.18	47.97
	<u>105.18</u>	<u>47.97</u>
11 Other current assets		
Prepaid Expenses	0.05	1.80
Balances with Statutory Authorities	42.58	16.37
Other Advances	0.46	2.80
	<u>43.09</u>	<u>20.97</u>
12 Equity Share Capital		
(a) Authorised:		
120,00,000 Equity shares of ₹10 each	1,200.00	1,200.00
(b) Issued, Subscribed and fully paid up shares		
116,40,478 Equity shares of ₹10 each	1,164.05	1,164.05
	<u>1,164.05</u>	<u>1,164.05</u>

The Company has a single class of equity shares having a par value of ₹10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as and when declared. Voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to their share of the paid-up equity capital of the Company held. Voting rights cannot be exercised in respect of shares on which any call or sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the years :

Particulars	As at 31.03.2025		As at 31.03.2024	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
At the beginning of the year	1 16 40 478	1164.05	1 16 40 478	1164.05
Shares allotted during the year	-	-	-	-
At the end of the year	1 16 40 478	1164.05	1 16 40 478	1164.05

(d) Details of Shareholders holding more than 5% of total number of equity shares.

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
Mr. Ankur Patodia	13 11 771	11.27%	13 11 771	11.27%
Mrs. Prabha Patodia	18 77 998	16.13%	18 77 998	16.13%
Mrs. Mala Patodia	10 04 780	8.63%	10 04 780	8.63%
Beekaypee Credit Private Limited	8 22 311	7.06%	8 22 311	7.06%
Patodia Exports & Investments Private Limited	7 74 487	6.65%	7 74 487	6.65%
Umang Finance Private Limited	7 33 052	6.30%	7 33 052	6.30%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

- (e) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts or commitments for the sale of shares or disinvestment.
- (f) There are no issue of shares allotted as fully paid up shares pursuant to contract(s) without payment being received in cash or buy back or bonus shares in the preceding five years.
- (g) There are Nil number of shares (Previous year Nil) in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.
- (h) During the year ended 31.03.2025 and in the previous year, no securities convertible into Equity/Preferential shares.
- (i) During the year ended 31.03.2025 and in the previous year, there are no calls unpaid including calls unpaid by Directors and officers as on balance sheet date.
- (j) Shares held by promoters at the end of the year

Promoter name	As at 31.03.2025		As at 31.03.2024		% Change during the year
	No. of Shares	%of total shares	No. of Shares	%of total shares	
Shri. Ankur Patodia	1,311,771	11.27%	1,311,771	11.27%	Nil
Smt. Prabha Patodia	1,877,998	16.13%	1,877,998	16.13%	Nil
Smt. Mala Patodia	1,004,780	8.63%	1,004,780	8.63%	Nil
Smt. Swati Patodia	271,900	2.34%	271,900	2.34%	Nil
M/s. Beekaypee Credit Private Limited	822,311	7.06%	822,311	7.06%	Nil
M/s. Patodia Exports and Investments Pvt Ltd	774,487	6.65%	774,487	6.65%	Nil
M/s. Umang Finance Pvt Ltd	733,052	6.30%	733,052	6.30%	Nil
Shri. Arnav Patodia	579,440	4.98%	579,440	4.98%	Nil
Total	7,375,739	63.36%	7,375,739	63.36%	Nil

As at
31.03.2025
(Amount ₹ in Lakhs)

As at
31.03.2024
(Amount ₹ in Lakhs)

13 Other Equity

(i) Reserve & Surplus

(a) General Reserve

Balance as at the beginning and the end of the year **2,092.36** 2,092.36

(b) Retained earnings

Balance as at the beginning of the year **(10,594.43)** (9,390.18)

Less: Profit/(Loss) for the year from the Statement of Profit and Loss **(782.35)** (1,204.25)

Transfer from Revaluation Surplus **5,306.17** -

Balance as at the end of the year **(6,070.61)** (10,594.43)

(ii) Revaluation surplus

Balance as at the beginning of the year **9,110.16** 9,110.16

Transfer to Retained Earnings **(5,306.17)** -

Balance as at the end of the year **3,803.99** 9,110.16

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

(iii) Other Comprehensive income

Balance as at the beginning of the year	(287.96)	(283.64)
Changes during the current year	38.91	(4.32)
Balance as at the end of the year	(249.05)	(287.96)
Total	(423.31)	320.13

(i) General Reserve

The general reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of their comprehensive income.

(ii) Retained earnings

Retained earnings represents the Company's undistributed earnings/(losses) after taxes.

(iii) Revaluation surplus

Revaluation surplus represents the surplus over cost against market value on revaluation of freehold land of the Company pursuant to recognition of freehold land on revaluation model as per the provisions para 29 to 31 of the Ind AS 16 - Property, Plant and Equipment. This surplus is not considered for distribution of dividend to equity shareholders.

	As at 31.03.2025 (Amount ₹ in Lakhs)		As at 31.03.2024 (Amount ₹ in Lakhs)	
	Non Current	Current	Non Current	Current
14 a Borrowings				
Secured				
Term Loans				
Banks		-		501.98
Working Capital facilities				
Banks		-		1,204.16
Interest Accrued on above loans		-		2,144.28
Advance received for sale of Property, Plant and Equipment		705.81		56.67
Liabilities against Asset held for sale	-	705.81		3,907.09
14 b Unsecured				
Loan from a Director Interest range @ 7% to 11.50 %				374.45
Loan from relatives of Director - Interest range @ 7% to 11.50%		-		204.70
Loan from Corporates Interest range @ 6.75% to 16%		2,401.11		3,201.11
Trade Advance		194.96		194.96
Short term loan from related parties @ 7 % Interest		350.00		350.00
	-	2,946.07	-	4,325.22
15 Borrowings				
5,10,000 6.5% Non-Cumulative Non-Convertible Non-Participating Redeemable Preference Shares of ₹100 each.	199.47		182.02	
	199.47		182.02	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

i. Reconciliation of number of Preference shares and amount outstanding at the beginning and end of the year

5,10,000, 6.5% Non-Cumulative Non Convertible Non-Participating Redeemable Preference Shares of ₹ 100 each

Particulars	As at 31.03.2025		As at 31.03.2024	
	No. of Shares	Amount in ₹ lakhs	No. of Shares	Amount in ₹ lakhs
As at beginning of the Year	510000	510.00	510000	510.00
Shares issued during the Year	Nil	Nil	Nil	Nil
At the end of the Year	510000	510.00	510000	510.00

ii Rights, preferences and restrictions attached to Preference shares

510000, 6.5% Non-cumulative Non-convertible Non-participating Redeemable Preference shares issued. The issue details are as follows;

Date of Issue	Date of Redemption	Earlier Redemption
26/11/2020	Not exceeding 15 (fifteen) years from the date of allotment	After 2 (two) years from the date of allotment

Term Loans (Emergency Credit Line):

Term loans are from Banks and outstanding Nil (Previous year - ₹ 501.98 lakhs) were guaranteed by National Credit Guarantee Trustee Company (NCGTC) of Government of India under Emergency Credit Line Guarantee scheme and secured by second charge on block assets of the Company.

Re-payment terms of Term Loan from Banks:

Outstanding Nil (Previous year ₹ 501.98 lakhs) Moratorium first 12 months and Repayment in 36 EMI.
Repayment starts from November 2021 Weighted Average
Rate of Interest 9.50% p.a. (Previous year 9.25%).

Working Capital facilities:

Working Capital Loans from Banks were secured by *pari passu* first charge by way of hypothecation of current assets, and further secured by way of first charge on all immovable assets, both present and future and on all movable assets of the company (excluding assets purchased on hire purchase basis), ranking *pari passu* interse and also guaranteed by Chairman & Managing Director, a Director and one promoter of the Company.

Average rate of interest rate is (Previous year 13.64% p.a)

Loan from Director and relatives of Directors:

As per the borrowal terms, the Company has the right to repay the amount fully or partly in case it does not require the same to meet its working capital requirements. The Company proposes that repayment will be on long term basis and hence classified as long term borrowings.

Rate of interest at 11.50% p.a. (Previous year 11.50% p.a.)

Loan from Corporates:

Loan from corporates are repayable on demand carrying interest rate ranging from 6.75% p.a. to 16.00% p.a. (Previous year ranging from 6.75% to 16.00%)

Short Term Loan from Related parties:

Short Term Loan from related parties are repayable on demand Interest rate 7.00% (Previous year @ 7.00 %)

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2025 (Contd.)**

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
16 Other financial liabilities		
Interest accrued but not due on borrowings	386.97	423.27
	<u>386.97</u>	<u>423.27</u>
17 Other Current liabilities		
Statutory payable and other dues	19.77	40.07
Other liabilities	11.04	21.45
Expense Payable	860.27	815.31
	<u>891.08</u>	<u>876.83</u>
18 Provisions		
Provision for Employee benefits	15.69	15.69
Employee benefit - Gratuity Current portion	95.63	123.97
	<u>111.32</u>	<u>139.66</u>
19 Other expenses		
Electricity	3.49	-
Rates and Taxes	6.39	-
Rent	25.78	-
Directors Sitting Fee	4.03	-
Payment to Auditors		-
Audit Fee	2.10	-
Certification Charges	0.40	-
Miscellaneous Expenses	1.79	-
TOTAL	<u>43.98</u>	<u>-</u>
20 Profit / (Loss) for the year from discontinued operations		(Amount ₹ in Lakhs)
Particulars	31.03.2025	31.03.2024
Revenue :		
Income from Sales and Other Income	76.54	93.10
Profit on sale of Property, Plant and Equipment	689.78	249.53
Total Income	<u>766.32</u>	<u>342.63</u>
Expenses:		
Expenses : Employee cost and other Admin. Expenses	252.72	545.64
Payment to Auditors		
Audit Fee	2.10	2.10
Certification Charges	0.40	0.40
Finance cost	727.74	1019.19
Depreciation	-	3.52
Provision for workmen settlement compensation	-	125.91
Commission on Sale of Land & Liquidity Damages	538.50	-
Total Expenses	<u>1521.46</u>	<u>1696.76</u>
Net Profit / (loss) on Discontinuing operation	<u>(755.14)</u>	<u>(1354.13)</u>

Cotton Yarn manufacturing operation was permanently stopped during second quarter of FY 2022-23.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

21 Earning per share

		Year ended 31.03.2025	Year ended 31.03.2024
		(Amount ₹ in Lakhs)	(Amount ₹ in Lakhs)
Net profit /(Loss) from discontinued operations		(43.98)	-
Weighted average Number of Equity Shares (₹10 per share)	Nos	11640478	-
Basic and diluted Earning Per Share on discontinuing operation	Rs	(0.38)	-
Net profit /(Loss) from discontinued operations		(738.37)	(1,204.25)
Weighted average Number of Equity Shares (₹10 per share)	Nos	11640478	11640478
Basic and diluted Earning Per Share on discontinuing operation	Rs	(6.34)	(10.35)

22 Employee Benefits Plan

Gratuity:

In accordance with the applicable laws, the Company provides for Gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity plan provides for a lump sum payment to vested employees on retirement (subject to the completion of 5 years of continuous employment), death, incapacitation or termination of the employment based on last drawn salary and tenure of employment.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the Gratuity Fund administered by Life Insurance Corporation of India, which is basically a year-on-year cash accumulation plan. Though the Company has not fully funded to group gratuity policy fund of LIC, adequate provision has been made in the books of accounts. As part of the scheme the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity settlements during the year subject to sufficiency of funds under the policy.

	Gratuity Plan 2024-25 (Amount ₹ in Lakhs)	Gratuity Plan 2023-24 (Amount ₹ in Lakhs)
Change in Defined Benefit Obligation (DBO) during the year		
1 Present value of DBO at the beginning of the year	133.94	546.93
2 Current Service cost	1.82	2.96
3 Interest cost	9.50	40.01
4 Actuarial (gain)/ loss arising from changes in demographic assumptions	-	3.96
5 Actuarial (gain)/ loss arising from changes in financial assumptions	0.62	(3.41)
6 Actuarial (gain)/ loss arising from changes in experience adjustments	(39.80)	1.09
7 Benefits paid	(4.39)	(457.60)
Present value of DBO at the end of the year	101.69	133.94
Change in fair value of plan assets during the year		
1 Fair value of plan assets at the beginning of the year	9.97	11.88
2 Interest income	0.70	0.87
3 Employer contributions	-	-
4 Benefits paid	(4.39)	-
5 Re-measurements - return on plan assets (excluding interest income)	(0.22)	(2.78)
Fair value of plan assets at the end of the year	6.06	9.97
Amounts recognised in the Balance Sheet		

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2025 (Contd.)**

	Gratuity Plan 2024-25 (Amount ₹ in Lakhs)	Gratuity Plan 2023-24 (Amount ₹ in Lakhs)
1 Present value of DBO at the end of the year	101.69	133.94
2 Fair value of plan assets at the end of the year	6.06	9.97
Funded status of the plans - Surplus / (Deficit)	(95.63)	(123.97)
Assets and (Liability) recognised in the Balance sheet - Current	(95.63)	(123.97)
Assets and (Liability) recognised in the Balance sheet - Non Current	-	-
Components of employer expense		
1 Current service cost	1.82	2.96
2 Interest cost / (income) on net defined benefit obligation	8.79	39.14
Expense recognised in Statement of Profit and Loss	10.61	42.10
Re-measurements on the net defined benefit obligation		
Return on plan assets(excluding interest income)	0.22	2.78
Actuarial (gain) / loss arising from changes in demographic assumptions	-	3.96
Actuarial (gain) / loss arising from changes in financial assumptions	0.62	(3.41)
Actuarial (gain) / loss arising from changes in experience adjustments	(39.80)	1.09
Re-measurements recognised in other comprehensive income	(38.96)	4.42
Total defined benefit cost recognised	(28.35)	46.52
Nature and extent of investment details of the plan assets		
State and Central Securities	-	-
Bonds	-	-
Special Deposits	-	-
Insurer Managed funds	100%	100%
Assumptions		
Discount rate	6.45%	7.10%
Expected rate of salary increase	0.00%	0.00%
Sensitivity analysis - DBO at the end of the year (in lakhs)		
Discount rate + 100 basis points	100.74	132.70
Discount rate - 100 basis points	102.65	135.20
Salary Growth rate + 1%	102.70	135.28
Salary Growth rate - 1%	100.67	132.60
Attrition rate +50%	101.80	134.56
Attrition rate -50%	101.38	132.86
Weighted average duration of DBO	1 year	1 year
Expected cash flows (in lacs)		
1. Expected employer contribution in the next year	95.63	123.97
2. Expected benefit payments		
Year 1	102.06	135.57
Year 2 to year 5	-	-
Year 6 to year 10	-	-
Beyond 10 years	-	-

23 The accounts of certain Trade Payables, Loans & Advances are subject to formal confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

24 In term of Ind AS-108 Operating Segments, the company operates materially only in one business segment viz., Textile industry and have its production facilities and all other assets located within India.

25 Related Party Disclosures pursuant to Ind AS 24

(a) Names of Related parties and nature of relationships.

i. Associate:

Patspin India Ltd

ii. Enterprises/Entities having relatives of Key Management Personnel

GTN Enterprises Ltd

Beekaypee Credit Private Ltd

Umang Finance Private Ltd

Patodia Exports and Investments Private Ltd

iii. Key Management Personnel:

Shri B.K. Patodia – Chairman & Managing Director

Shri E.K. Balakrishnan - Vice President (Corporate Affairs) & Company Secretary

Shri Achuthan M - Chief Financial Officer

iv Relatives of Key Management Personnel:

1. Smt. Prabha Patodia, Wife of Sri. B.K. Patodia
2. Shri. Umang Patodia, Son of Sri. B.K. Patodia
3. Shri. Ankur Patodia, Son of Sri. B.K. Patodia
4. Smt. Mala Patodia, Daughter in Law of Sri. B.K. Patodia
5. Smt. Swati Patodia, Daughter in Law of Sri. B.K. Patodia

(b) Transactions / Balances

(Amount ₹ in Lakhs)

	Associates		Enterprises/Entities having relatives of Key Management Personnel		Other Related Parties	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Sale of goods	28.98	0.20	-	-	-	-
Receiving of services	-	-	-	-	11.20	12.98
Remuneration paid	-	-	-	-	41.98	44.21
Un Secured Loans taken	-	-	-	665.00	1,020.00	102.55
Un Secured Loans repaid	-	-	-	-	1,609.15	189.50
Interest Paid	-	-	-	129.80	36.60	68.20
Balances as at year end						
Trade Payables	-	-	793.99	660.04	-	-
Trade Receivables	34.76	34.76	-	-	-	-
Loans Outstanding	-	-	1,196.50	1,336.50	-	579.15
Interest Payable	-	-	212.54	228.56	-	66.69
Investments	1,964.26	1,964.26	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

(c) Disclosure in respect of transactions with related parties during the year

(Amount ₹ in Lakhs)

	Transactions	
	2024-25	2023-24
(i) Sale of goods		
a) Cotton Yarn		
i) GTN Enterprises Ltd.	24.97	-
b) Store Items		
i) Patspin India Ltd.	-	0.20
c) Vehicle		
i) GTN Enterprises Ltd.	4.01	-
(ii) Receiving of services		
a) Rent Paid		
i) Prabha Patodia	1.50	1.80
ii) Mala Patodia	0.75	0.90
iii) Swati Patodia	8.25	9.90
b) Sitting fee paid		
i) Other Related Parties	0.70	0.38
(iii) Remuneration paid		
Shri. B K Patodia	41.98	44.21
(iv) Un Secured Loans taken		
i) Shri. B.K. Patodia	780.00	77.80
iii) Smt. Prabha Patodia	-	12.00
iv) Shri. Umang Patodia	240.00	9.70
ix) Smt. Swati Patodia	-	3.05
x) M/s Beekaypee Credit Pvt Ltd	-	475.00
xi) M/s Umang Finance Private Ltd	-	190.00
(v) Un Secured Loans repaid		
Other Related parties		
i) Shri. Ankur Patodia	20.00	141.50
ii) Smt. Mala Patodia	29.85	48.00
iii) Smt. Prabha Patodia	128.50	-
iv) Smt. Swati Patodia	36.35	-
v) Shri. B K Patodia	1,019.90	-
vi) Shri. B K Patodia HUF	3.00	-
vii) Shri. Umang Patodia	348.55	-
viii) Shri. Umang Patodia HUF	23.00	-
(vi) Interest Paid		
i) Shri. B.K. Patodia	32.30	17.81
ii) Binod Kumar Patodia HUF	0.93	0.30
iii) Smt. Prabha Patodia	-	13.40
iv) Shri. Umang Patodia	0.59	11.14
v) Shri. Umang Patodia HUF	2.15	1.61
vi) Shri. Ankur Patodia	-	13.39
vii) Shri. Ankur Patodia HUF	-	0.70
viii) Smt. Mala Patodia	0.63	6.06
ix) Smt. Swati Patodia	-	3.79
x) M/s Beekaypee Credit Pvt Ltd	-	76.50
xi) M/s Umang Finance Private Ltd	-	31.13
xii) M/s Patodia Exports & Investments Private Ltd	-	22.17

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Notes:

- (i) The related parties have been identified by the Management and relied upon by the auditors.
- (ii) No amount has been provided for/written off/written back, pertaining to related parties.

26 Contingent liabilities and commitments

Contingent liabilities :

The Deputy Commissioner of SGST department, Aluva issue combined show cause notice for the years 2020-21 & 2021-22 proposing tax demand of ₹ 66.06 lac for short payment of RCM and excess utilisation of Input Tax credit. Company had filed an appeal against this order to the appellate authority.

Commitments - Nil

- 27** Company's cotton yarn manufacturing operations from its Aluva, Kerala Plant was permanently stopped wef. 13.6.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted in lower capacity utilisation and making the operations unviable. Also the Company has fully repaid bank dues during the year and closed bank facilities/accounts. In view of this, various financial risks (Credit Risk, Liquidity Risk, Interest Rate Risk, Capital Risk) were not disclosed.

- 28** Pursuant to Revised MOU entered with a corporate buyer, out of total 28.14 acres of landed property, the Company has sold 16.39 acres by 31.03.2025 for a sale consideration of ₹ 59.99 Cr. and agreement for sale of another 9.33 acres was entered during March 2025. Company has received an amount of ₹ 27.15 Cr against advances as well as sales proceeds during the first quarter 2025-26.

Indian Textiles Industry demand scenario is showing signs of improvement with recent US Tariff advantage, Various Government initiatives (Finalisation of FTA with major markets like UK, EU etc., higher budgetary allocation for FY 2025-26 for Textiles sector, enhanced credit access, export promotion measures and the creation of the Bharat Trade Net digital platform which will streamline trade documentation, facilitate smoother global integration and ease market access for small and medium textile enterprises.

After sale of balance Land and with surplus funds as would be available, the Company intends to carry on outsourcing of cotton yarn manufacturing / trading in cotton yarn or any other business as permitted in the objects clause of the Memorandum of Association, for better prospects of the Company.

As per MOU entered with the Promoter directors, an amount of ₹ 14.58 Cr advanced to Patspin India Ltd by the Company was adjusted against outstanding unsecured loan from the Promoter directors as at 31.3.2025. As a result, Liabilities in the books of the Company gets reduced to that extent as at 31.03.2025

- 29** Company's cotton yarn manufacturing operations from its Aluva, Kerala Plant was permanently stopped wef. 13.6.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted in lower capacity utilisation and making the operations unviable. In view of this, Deferred Tax Asset for the current financial year was not recognized and Deferred Tax Liability was re-assessed and reversed the excess provision of ₹ 16.77 lac during the Financial year 2024-25.

30 Ratios:

	Ratios:	Measure	2024-25	2023-24	% Variance	Reason for Variance
a	Current Assets		3231.22	9386.37		Company's cotton yarn manufacturing operations from its
b	Current Liabilities		5041.25	9672.07		
	Current Ratio (a/b)	Times	0.64	0.97	-33.95%	
c	Total Debt		3,145.54	4,507.24		
d	Shareholders Equity		740.74	1,484.18		
	Debt-Equity Ratio (c/d) (Where total debt refers to sum of Current and Non Current Borrowings)	Times	4.25	3.04	39.83%	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	Ratios:	Measure	2024-25		2023-24		% Variance	Reason for Variance
e	Profit/(Loss) before tax		(799.12)		(1,354.13)			Aluva, Kerala Plant was permanently stopped wef. 13.6.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted in lower capacity utilisation and making the operations unviable. In view of this, Ratios for FY 2024-25 are not comparable with that of previous year (FY 2023-24) where the operations were for part of the year.
f	Finance Cost		-		-			
g	Depreciation and amortization expense		-		-			
h	Earnings available for debt service		(799.12)		(1,354.13)			
i	Current Borrowings		2,946.07		4,325.22			
j	Interest due on borrowings		386.97		423.27			
k	Total Debt services (i+j)		3,333.04		4,748.49			
	Debt Service Coverage Ratio (h/k)	Times		(0.24)		(0.29)	-15.93%	
l	Profit/(Loss) after tax		(826.33)		(1,204.25)			
m	Average Shareholders Equity		1,112.46		2,088.46			
n	Return on Equity Ratio (l/m)	Percentage	Not applicable due to discontinuing operation from 2 nd quarter of FY 2022-23 onwards					
o	Inventory turnover Ratio	Times						
p	Trade Receivable turnover Ratio	Times						
q	Trade payable turnover Ratio	Times						
r	Net Capital turnover ratio	Times						
s	Net Profit Ratio	Percentage						
t	Return on Investment	Percentage						
u	Profit/(Loss) before tax		(799.12)		(1,354.13)			
v	Finance Cost		-		-			
w	Earning before Interest and Tax (u+v)		(799.12)		(1,354.13)			
x	Tangible Networkth		740.74		1,484.18			
y	Total Debt		5,240.72		9,854.09			
z	Deferred Tax Liability		3.05		19.82			
aa	Capital employed (x+y+z)		5,984.51		11,358.09			
	Return on Capital employed (w/aa)	Percentage		-13.35%		-11.92%	12.00%	

31 Other Statutory Information

- All title deeds of immovable property are held in the name of the Company and the Company does not have any immovable property without Title in its name.
- Since there is no addition / deletion in Capital Work in Progress (CWIP) and Intangible assets during the year and hence disclosures regarding these items were not made.
- Disclosure on PPE & Intangible Assets
 - There is no restriction on the title of Property, Plant and Equipment and Property, which was mortgaged to Lenders for the credit facilities sanctioned to Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

- (2) Company has not constructed any item in Property, Plant & equipment.
- (3) Company has no contractual commitments for the acquisition of Property, Plant & Equipment.
- (4) Company has no Impairment loss during the year for Property, Plant & Equipment.
- (5) Company has not revalued any items of Property, Plant & Equipment during the Year
- (6) Carrying amount of Property, Plant & Equipment are retired from active use and held for disposal.
- (7) The existence and carrying amounts of intangible assets whose title is not restricted and the carrying amounts of intangible assets are not pledged as security for liabilities.
- d) Company does not hold any benami property and no proceedings were initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 and Rules thereon.
- e) The Company is not a declared wilful defaulter by any bank or financial institution or other lenders.
- f) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- h) The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- i) Utilisation of Borrowed funds and Security Premium:
 - A. The Company has not advanced or loaned to or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Company shall
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- k) Company shall not be required to comply with Corporate Social Responsibility (CSR) as provisions of section 135 of the Companies Act, 2013 is not applicable.
- l) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

32 Previous year's figures have been regrouped/reclassified wherever necessary to confirm the current year's presentation.

Signature to Note 1 to 32

As per our report of even date attached

For and on behalf of the Board of Directors

For L. U. KRISHNAN & Co.
Chartered Accountants
(ICAI FRN 001527S)

B. K. PATODIA
Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

UMANG PATODIA
Director
DIN: 00003588

P. K. MANOJ
Partner
(M. No. 207550)

E.K.BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary

ACHUTHAN M
Chief Financial Officer

Place : Chennai
Date : 30th May 2025

Place : Kochi
Date : 30th May 2025

Place : Kochi
Date : 30th May 2025

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of GTN Textiles Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of GTN Textiles Ltd (the "Holding Company") and its associate, which comprise the consolidated balance sheet as at 31 March, 2025, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements for the year ended 31 March, 2025 give the information required by 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 31 March, 2025, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 consolidated financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters Relating to Going Concern

4. The Company has incurred total comprehensive loss of Rs.743 lakhs after considering net loss of Rs 44 lakhs from continued operations Rs 738 lakhs from discontinued operations and total cash loss of Rs 755 lakhs from discontinued operations during the year ended 31 March, 2025. The net worth is eroded as on that date, this situation indicates some uncertainty about the Company's ability to continue as a going concern. However, during the period ended March 31, 2025 the Company had sold part of its Land and building (classified under Asset held for sale & balance portion of land proposed to sell). Based on the information and explanation provided in Note No 28 of the Audited Consolidated Financial Statements for the year ended 31 March, 2025 and discussions held with Management, post-sale of assets, with debt free status and available surplus fund, the Management intends to carry on outsourcing of cotton yarn manufacturing/ trading in cotton yarn or any other business as permitted in object clauses of the Memorandum of Association of the Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
The Company has classified its non-current assets as held for sale and presented them separately in the balance sheet. The Company has also presented the business as a discontinued operation in the statement of profit and loss.	The accounting for assets held for sale and discontinued operations contains several judgments that affect the timing of recognition, presentation in the statement of profit and loss, and measurement of balance sheet items. We read the sale agreement for the textile business and assessed whether the classification as held for sale or discontinued operations was in accordance with the relevant accounting standards.

Key Audit Matter	Auditor's Response
The accounting for assets held for sale and discontinued operations related to the manufacturing business is considered a key audit matter given the significant judgments involved and the potential impact on the presentation of the Company's financial performance. The divestment of the manufacturing business is a complex transaction that spans an extended period from the initiation of the sales process to finalization and expiration of agreed commitments.	We assessed management's valuation of other assets, liabilities and contingent liabilities relating to the manufacturing business and evaluated the consistency of the accounting treatment. We traced the disclosures in the financial statements to the underlying accounting records and supporting documentation.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

6. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board of director's report, but does not include the consolidated financial statements and auditor's report thereon. The board of director's report is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding 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 consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and of its associate 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and the associates are responsible for assessing the ability of the Holding Company and the associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Holding Company and the associate or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of Holding Company and Associate are responsible for overseeing the financial reporting process of Holding Company and Associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.
15. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. 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.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c) The consolidated financial statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its Associate company covered under the Act, none of the Directors of the Holding Company and the associate company covered under the Act, are disqualified as on 31 March, 2025 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its Associate covered under the Act and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- g) In our opinion, according to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration for the year ended on March 31, 2025 has paid/provided by the Company to its directors in accordance with the provisions of the section 197 of the Act 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 and based on the consideration of the report of the other auditors on separate financial statements/consolidated financial statements as also the other financial information of the subsidiaries and associates:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company and its associate.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For L U Krishnan & Co.

Chartered Accountants

Firm’s Registration No: 001527S

P K Manoj

Partner Membership No.207550

UDIN: 25207550BMJDA6456

Place: Chennai

Date: 30 May 2025

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report)

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

Since this is a Consolidated Auditor's Report para i to xx of the Order is not applicable.

xxi) There are no qualifications or adverse remarks made by the auditors of associate companies' auditor's report included in the consolidated financial statements of the Company.

For L U Krishnan & Co.

Chartered Accountants

Firm's Registration No: 001527S

P K Manoj

Partner Membership No.207550

UDIN: 25207550BMJDJA6456

Place: Chennai

Date: 30 May 2025

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 19(f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended 31st March 2025, we have audited the Internal Financial Controls over Financial Reporting of the GTN Textiles Limited (the Holding Company) as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, which is Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls with reference to financial statements.

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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Control with reference to Financial Statements so far as it relates to Holding Company, which is incorporated in India, and, in case of overseas subsidiaries, auditors of the respective overseas subsidiaries have not commented upon the Internal Financial Control over Financial Reporting in their audit report.

For L U Krishnan & Co.

Chartered Accountants

Firm's Registration No: 001527S

P K Manoj

Partner Membership No.207550

UDIN: 25207550BMJDJA6456

Place: Chennai

Date: 30 May 2025

GTN TEXTILES LIMITED

CONSOLIDATED BALANCE SHEET

	Note No.	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	784.70	1.21
(b) Financial Assets			
(i) Investments	4	0.51	0.56
(ii) Others	5	3.82	5.69
Sub-Total		789.03	7.46
2 Current assets			
(a) Financial Assets			
(i) Cash and Cash equivalents	7	19.31	13.85
(ii) Bank balances other than (i) above	8	0.28	1.83
(iii) Other financial assets	9	42.71	144.22
(b) Current tax assets (net)	10	105.18	47.97
(c) Other Current Assets	11	43.09	20.97
(d) Asset or disposal group classified as held for sale	3	3,020.65	9,157.53
Sub-Total		3,231.22	9,386.37
TOTAL ASSETS		4,020.25	9,393.83
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	1,164.05	1,164.05
(b) Other Equity	13	(2,387.57)	(1,644.13)
Sub-Total		(1,223.52)	(480.08)
Liabilities			
1 Non current liabilities			
(a) Financial liabilities			
Borrowings	15	199.47	182.02
(b) Deferred Tax Liabilities (net)	6	3.05	19.82
Sub-Total		202.52	201.84
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 b	2,946.07	4,325.22
(ii) Other financial liabilities	16	386.97	423.27
(b) Other current liabilities	17	891.08	876.83
(c) Provisions	18	111.32	139.66
(d) Liabilities Associated with disposal group classified as held for sale	14 a	705.81	3,907.09
Sub-Total		5,041.25	9,672.07
TOTAL EQUITY AND LIABILITIES		4,020.25	9,393.83

Significant accounting policies

1 & 2

The accompanying Notes 1 to 33 form an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For L. U. KRISHNAN & Co.

Chartered Accountants
(ICAI FRN 001527S)

B. K. PATODIA

Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

UMANG PATODIA

Director
DIN: 00003588

P. K. MANOJ

Partner
(M. No. 207550)

Place : Chennai
Date : 30th May 2025

E.K. BALAKRISHNAN

Vice President (Corporate Affairs)
& Company Secretary

Place : Kochi
Date : 30th May 2025

ACHUTHAN M

Chief Financial Officer

Place : Kochi
Date : 30th May 2025

GTN TEXTILES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note No.	Year ended March 31, 2025 (Amount ₹ in Lakhs)	Year ended March 31, 2024 (Amount ₹ in Lakhs)
EXPENSES:			
Other expenses	19	43.98	-
Total Expenses		43.98	-
Profit/(Loss) for the year from continuing operation (A)		(43.98)	-
Profit / (Loss) for the year from discontinued operations	20	(755.14)	(1,354.13)
Tax expense for discontinued operations		(16.77)	(71.88)
Tax relating to earlier years		-	(78.00)
Profit / (Loss) for the year from discontinued operations after tax (B)		(738.37)	(1,204.25)
Other Comprehensive income (Net of Tax)			
Items that will not be reclassified subsequently to Statement of Profit or Loss			
Re-measurement of net defined benefit Obligation		38.96	(4.41)
Total Other comprehensive income (C)		38.96	(4.41)
Total comprehensive income / (loss) for the year (A) + (B) + (C)		(743.39)	(1,208.66)
EARNINGS PER EQUITY SHARES OF ₹ 10 EACH	21		
Basic and Diluted continuing operation (in ₹)		(0.38)	-
Basic and Diluted discontinued operation (in ₹)		(6.34)	(10.35)
Significant accounting policies	1 & 2		
The accompanying Notes 1 to 33 form an integral part of the consolidated financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For L. U. KRISHNAN & Co.

Chartered Accountants
(ICAI FRN 001527S)

B. K. PATODIA

Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

UMANG PATODIA

Director
DIN: 00003588

P. K. MANOJ

Partner
(M. No. 207550)

Place : Chennai
Date : 30th May 2025

E.K. BALAKRISHNAN

Vice President (Corporate Affairs)
& Company Secretary

Place : Kochi
Date : 30th May 2025

ACHUTHAN M

Chief Financial Officer

Place : Kochi
Date : 30th May 2025

CONSOLIDATED CASH FLOW STATEMENT

	2024-25 (Amount ₹ in Lakhs)	2023-24 (Amount ₹ in Lakhs)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS ON CONTINUING / DISCONTINUED OPERATION	5.46	(6.40)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13.85	20.25
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19.31	13.85

Note:

Since cotton yarn manufacturing operations were discontinued during the second quarter of FY 2022-23 onwards, there is no cash flow from operating, investing and financing activities for the FY 2023-24 and FY 2024-25.

The accompanying Notes 1 to 33 form an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For L. U. KRISHNAN & Co.

Chartered Accountants
(ICAI FRN 001527S)

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& Company Secretary

Place : Kochi
Date : 30th May 2025

ACHUTHAN M

Chief Financial Officer

Place : Kochi
Date : 30th May 2025

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

A. Equity Share Capital

(1) Current Reporting Period-As at March 31, 2025

(Amount ₹ in Lakhs)

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the year end
1164.05	NIL	1164.05

(2) Previous Reporting Period-As at March 31, 2024

Balance at the beginning of the year	Changes in equity share capital during the previous year	Balance at the year end
1164.05	NIL	1164.05

B. Other Equity

(1) Current Reporting Period-As at March 31, 2025

(Amount ₹ in Lakhs)

	Equity component of financial instruments	Reserves and Surplus		Equity Instruments through Other Comprehensive Income	Revaluation Surplus	Other Comprehensive Income	Total
		General Reserve	Retained Earnings			(Re-measurement of Employee Benefit)	
Balance at the beginning of the current reporting period	327.98	2,092.36	(12,886.67)	(0.10)	9,110.16	(287.86)	(1644.13)
Equity portion of 6.5% NCNCNPRP shares transferred	(17.46)	-	17.46	-	-	-	-
Revaluation Reserve transferred to Retained earnings *	-	-	5,306.17	-	(5,306.17)	-	-
Fair Value Through Other Comprehensive Income	-	-	-	(0.05)	-	38.96	38.91
Total Comprehensive Income for the year ended 31 st March 2025	-	-	(782.35)	-	-	-	(782.35)
Balance at the end of the current reporting period	310.52	2,092.36	(8345.39)	(0.15)	3,803.99	(248.90)	(2387.57)

* Proportionate revaluation surplus on 16.39 acres of land sold during the year transferred to retained earnings.

(2) Previous Reporting Period-As at March 31, 2024

(Amount ₹ in Lakhs)

	Equity component of financial instruments	Reserves and Surplus		Equity Instruments through Other Comprehensive Income	Revaluation Surplus	Other Comprehensive Income	Total
		Other Reserves (General Reserve)	Retained Earnings			(Re-measurement of Employee Benefit)	
Balance at the beginning of the current reporting period	343.91	2,092.36	(11698.35)	(0.19)	9,110.16	(283.45)	(435.56)
Equity portion of 6.5% NCNCNPRP shares transferred	(15.93)	-	15.93	-	-	-	-
Fair Value Through Other Comprehensive Income	-	-	-	0.09	-	(4.41)	(4.32)
Total Comprehensive Income for the year ended 31 st March 2024	-	-	(1,204.25)	-	-	-	(1,204.25)
Balance at the end of the current reporting period	327.98	2,092.36	(12,886.67)	(0.10)	9,110.16	(287.86)	(1644.13)

The accompanying Notes 1 to 33 form an integral part of the Consolidated financial statements

As per our report of even date

For L. U. KRISHNAN & Co.
Chartered Accountants
(ICAI FRN 001527S)

For and on behalf of the Board of Directors

B. K. PATODIA
Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

UMANG PATODIA
Director
DIN: 00003588

P. K. MANOJ
Partner
(M. No. 207550)

Place : Chennai
Date : 30th May 2025

E.K. BALAKRISHNAN
Vice President (Corporate Affairs) & Company Secretary

Place : Kochi
Date : 30th May 2025

ACHUTHAN M
Chief Financial Officer

Place : Kochi
Date : 30th May 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Significant Accounting Policies and notes forming part of the Consolidated Financial statements as at and for the year ended 31st March, 2025.

1 Corporate Information:

GTN Textiles Limited ('the company') is a Public Limited company incorporated and domiciled in India. The registered office of the company is at 61/464, 6th Floor, Palal Towers, Ravipuram, MG Road, Cochin-682016, Kerala State, India. The company was Incorporated under the provisions of The Companies Act, 1956 and its equity shares are listed on the Bombay Stock Exchange(BSE) in India. The Company is engaged primarily in trading of cotton yarn and realty segment. The company was registered as "Medium Enterprises - Manufacturing" on 14th August 2020 under the Provisions of MSMED Act 2006 as per the registration certificate obtained from Udyam portal of Ministry of MSME. Due to non-viability, the Board of Directors have approved permanent closure of its cotton yarn manufacturing operation at its Aluva, Kerala plant w.e.f, 13.06.2022. Presently, the Company is carrying on trading in cotton yarn or such business as permitted in objects clause of the Memorandum of Association of the Company.

2 Significant Accounting Policies

2.1 Basis of preparation and Measurement of financial statements:

Statement of Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies(Indian Accounting Standards) Rules, 2015(as amended from time to time) and presentation and disclosures requirement of Division II of revised schedule III of the Companies Act, 2013, (Ind AS Complained Schedule III), as applicable to Consolidated financial statement. Accordingly the Company has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Cash Flow and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information(together hereinafter referred to as "Consolidated financial statements").This financial statement were authorised for issue by the Board of Directors in their meeting on 30th May 2025.

2.2 Amendments to the existing Accounting Standards issued effective from 01.04.2023 onwards

The details of amendment to the existing standards that are relevant to the Company with effect from 01.04.2023 are given below:

The amendment to Ind AS 1 on 'presenting of consolidated financial statements' stipulates that the entity shall disclose material accounting policy information rather than significant accounting policies. Accounting policy information is considered material when accounting policy is related to a material transaction, event, or condition and involves either a change in accounting policy or one or more permissible accounting policy choices or accounting policy development in the absence of specific standard, or significant judgement or assumptions involved in applying such policy, or complexity of accounting requiring one or more application of Ind AS.

Accordingly, the company has revised its accounting policy disclosures by specifically providing only material accounting policy ensuring no obscuring information. The above amendments are no financial effect on company.

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended / notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2024:

Insurance contracts - Ind AS 117; and

Lease Liability in Sale and Leaseback- Amendments to Ind AS 11

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

2.3 Rounding of amount

These Consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh unless otherwise stated.

2.4 Historical Cost Convention

The financial statements have been prepared under the historical cost convention, on the basis of a going concern and on accrual basis except for the following items –

- a. Certain Financial Assets and Liabilities (including derivative instruments) are measured at Fair value
- b. Defined benefit employee plan - Plan assets measured at fair value

2.5 Use of Estimates

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

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

2.6 Classification of Assets and Liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisations in cash and cash equivalents, the company has ascertained its operating cycle as 12 (twelve) months for the purpose of current and non-current classification of assets and liabilities.

2.7 Property, Plant and Equipment:

All items of property, plant and equipment are stated at cost net of accumulated depreciation and impairment, if any. The cost comprises its purchase price and any cost directly attributable to bringing the Property, Plant and Equipment to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising from the retirement of and gains or losses arising from disposal of Property, plant and equipment are recognised in the statement of profit and loss.

The cost of property, plant and equipment which are not ready for their intended use before such date, are disclosed as capital work-in-progress.

The Company assesses at each Balance Sheet date whether there is any indication that any property, plant and equipment may be impaired, if any such indication exists, the carrying value of such property, plant and equipment is reduced to recoverable amount and the impairment loss is charged to statement of profit and loss. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed, and the asset is restated to that extent.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

On transition to Ind AS, the Company has elected to continue with the carrying value of all of 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 such property, plant and equipment except Free hold Land for which the company had adopted revaluation model pursuant to the para 29 to 31 of Ind AS 16 and recognised revalued cost as its deemed cost as at 1st April 2016.

Revaluation of freehold land would be carried at sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

2.8 Depreciation

Depreciation has been provided on straight line method based on useful life of Assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation is provided pro-rata from the date of capitalisation and depreciation is calculated on the carrying amount, which is the cost of an asset less its residual value.

2.9 Intangible Assets

Intangible assets are carried at cost, net of accumulated amortization and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

The Company assesses at each Balance Sheet date whether there is any indication that any intangible asset may be impaired, if any such indication exists, the carrying value of such intangible asset is reduced to recoverable amount and the impairment loss is charged to statement of profit and loss. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed, and the asset is restated to that extent.

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

2.10 Amortization

Intangible assets are amortized based on their estimated useful lives.

2.11 Investments

The Company has elected to measure investment in equity shares of associate company at deemed cost, which is previous GAAP carrying amount. Accordingly, under Ind AS, the Company has recognised investment as follows:

Equity shares of associate company - At deemed cost.

Quoted equity shares in other Company - At fair value.

Unquoted Equity shares - At fair value through profit and loss (FVTPL)

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.12 Inventories

Inventories are stated at lower of cost or net realisable value. Goods in process is stated at cost. The cost includes cost of purchase, freight, taxes and duties and is net of input credit where ever applicable, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Raw Material, Stores & Spares are considered at "weighted average" cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale. Adequate provision is made for obsolete, Non-moving and Slow-moving items.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

2.13 Financial Assets / Liability Policy

a. Financial Assets

Classification and Measurement

All the financial assets are initially measured at fair value. Transactions costs that are directly attributable to the acquisition of financial asset (other than financial assets carried at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Subsequent measurement

Subsequent measurement of financial assets depends on the classification i.e financial assets carried at amortised cost or fair value (either through other comprehensive income or through profit and loss). Such classification is determined on the basis of Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's financial assets primarily consists of cash and cash equivalents, trade receivables, balance with statutory authority, loans and advances and security deposits etc which are classified as financial assets carried at amortised cost.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

A gain or loss on financial asset that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is recognized using the effective interest rate method.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company provides for lifetime expected credit losses recognized from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is de-recognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

b. Financial liabilities

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables.

Subsequent measurement

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

Financial liabilities at fair value through statement of profit and loss :

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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 subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

De-recognition

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

Derivative financial instruments

Derivative financial instruments such as future contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

2.14 Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.15 Revenue Recognition

Revenue 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. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Sale of Goods:

Revenue from sale of goods are recognised on transfer of significant risk and rewards of ownership to the buyer which generally coincides with shipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from sale of land and plots:

In respect of realty business segment the revenue from sale of land and plots is recognised in the year in which the underlying sale deed is executed and there exists no uncertainty in the ultimate collection of consideration from buyers.

Rendering of Services :

Service revenues are recognised when services are rendered, and when the outcome of the transaction can be estimated reliably.

Dividend, Interest income, Claims:

Dividend income from investments is recognised when the Company's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Company as also the amount of dividend income can be measured reliably.

Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably.

Insurance and other Claims are accounted for when no significant uncertainties are attached to their eventual receipt.

2.16 Borrowing

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

2.17 Borrowing cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. All other Borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

2.18 Short-term Employee Benefits

Short Term employee benefits including accrued liability for Leave Encashment (other than termination benefits) which are payable within 12 (twelve) months after the end of the period in which the employees render service are paid/ provided during the year, as per the Rules of the Company.

Defined Contribution Plans:

Company's contributions paid/payable during the year to Provident and Family Pension Funds, and Employees State Insurance are recognized in the Statement of Profit and Loss.

Defined Benefit Plans:

The Employees' Gratuity Fund Scheme covered by the Group Gratuity cum-Life Assurance Policy of LIC of India is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method which recognizes each period of service as giving rise to additional amount of employees benefit entitlement and measures each unit separately to build up the final obligation.

2.19 Foreign currency Transactions

Initial recognition:

Transactions in Foreign Currencies entered into by the Company are accounted at the exchange rate prevailing on the date of the transaction.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Measurement:

Foreign Currency monetary items of the Company outstanding at the balance sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Treatment of exchange difference

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss.

2.20 Taxation

- a. Current tax is made on the basis of estimated taxable income for the year or computed in accordance with the Income-Tax Act, 1961 and recognized in the statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.
- b. Deferred tax on account of timing differences, between taxable income and accounting income is recognized using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these would be realized in future.
- c. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.21 Provisions and Contingent Liabilities:

Provisions: Provisions are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities:

Contingent liabilities is a possible obligation in the normal course of business arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.22 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated.

2.23 Cash and Cash equivalents Policy:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

2.24 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.25 Exceptional Items:

When an item of income or expense within profit or loss from ordinary is of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the year, the nature and amount of such items is disclosed as exceptional items.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

3 Property, Plant and equipment

(Amount ₹ in Lakhs)

Gross amount	Assets held for Sale				Assets Not held for Sale				Total
	Freehold Land	Buildings	Plant and Equipment	Sub-Total	Freehold Land	Furniture	Office Equipment	Vehicles	Sub-Total
Balance as at 1st April 2023	9,110.50	1,577.76	1,955.94	12,644.20		86.07	239.28	61.26	386.61
Additions	-	-	-	-	-	-	-	-	-
Disposal /adjustments	-	1,197.92	1,955.94	3,153.86	-	86.07	239.28	-	325.35
Balance as at 31st March 2024	9,110.50	379.84	-	9,490.34	-	-	-	61.26	61.26
Additions	-	-	-	-	-	-	-	-	-
Disposal /adjustments	5,306.36	379.84	-	5,686.20	-	-	-	39.88	39.88
Disposal /adjustments	(783.49)	-	-	(783.49)	783.49	-	-	-	783.49
Balance as at 31st March 2025	3,020.65	-	-	3,020.65	783.49	-	-	21.38	804.87
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-
Balance as at 1st April 2023	-	1,330.35	1,717.35	3,047.70	-	84.71	238.64	60.05	383.40
Disposal /adjustments	-	997.54	1,717.35	2,714.89	-	84.71	238.64	-	323.35
Depreciation expense	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2024	-	332.81	-	332.81	-	-	-	60.05	60.05
Disposal /adjustments	-	332.81	-	332.81	-	-	-	39.88	39.88
Depreciation expense	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2025	-	-	-	-	-	-	-	20.17	20.17
Net carrying Amount									
As at 31 st March, 2024	9,110.50	47.03	-	9,157.53	-	-	-	1.21	1.21
As at 31 st March, 2025	3,020.65	-	-	3,020.65	783.49	-	-	1.21	784.70
									3,805.35

Note:

Class of Asset - Freehold Land	Book Value (Rupees in Lakhs)	Revaluation surplus recognised in other equity
Land held for sale as at 31 st March, 2024 Area 28.14 Acres	9110.50	9110.16
Land sold during the year 2024-25 Area 16.39 Acres	5306.36	5306.17
Land re-grouped for not held for sale area 2.42 Acres	-783.49	783.46
Balance Land held for sale as at 31 st March, 2025 area 9.33 Acres	4587.63	3020.53

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
Financial Assets		
4 Non - Current Investments		
(A) Quoted equity instruments		
Associate		
Patspin Inida Limited (Carried at Cost)	-	-
(1,42,87,068 Equity shares of ₹ 10 each)		
Others:		
Central Bank of India	0.10	0.15
(243 Equity shares of ₹ 10 each)		
Aggregate amount of quoted investments Sub - Total (A)	0.10	0.15
Market value of Quoted instrument	1,334.52	1,603.15
(B) Unquoted equity instruments		
GTN Consumer Co-operative stores Limited	0.21	0.21
(2100 Shares of ₹ 10 each)		
GTN Textiles Employees Credit Co-operative Society Limited	0.20	0.20
(200 Equity shares of ₹ 10 each)		
Aggregate amount of unquoted investments Sub - Total (B)	0.41	0.41
TOTAL (A) + (B)	0.51	0.56
5 Other Financial Assets		
Security Deposits	3.82	5.69
	3.82	5.69
6 Deferred Tax Liability (Net)		
a Deferred Tax Liability		
Related to Property plant and Equipment	81.05	97.82
b Deferred Tax Asset	-	-
	81.05	97.82
c Minimum Alternate Tax Credit entitlement	78.00	78.00
Net Deferred Tax (Liability) / Asset (a - b - c)	3.05	19.82
* Refer Note 29		
7 Cash and Cash equivalents		
Cash on Hand	0.02	0.65
Balance with Banks - In Current Accounts	19.29	13.20
	19.31	13.85
8 Bank balances other than 7 above		
Balance with Banks - In Escrow Account	0.28	1.83
	0.28	1.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
9 Other financial assets		
Security Deposit	0.95	144.22
Interest on Security deposit/ Loans and advances	41.76	-
	<u>42.71</u>	<u>144.22</u>
10 Current tax assets		
Income Tax (TDS)	105.18	47.97
	<u>105.18</u>	<u>47.97</u>
11 Other current assets		
Prepaid Expenses	0.05	1.80
Balances with Statutory Authorities	42.58	16.37
Other Advances	0.46	2.80
	<u>43.09</u>	<u>20.97</u>
12 Equity Share Capital		
(a) Authorised:		
120,00,000 Equity shares of ₹10 each	1,200.00	1,200.00
(b) Issued, Subscribed and fully paid up shares		
116,40,478 Equity shares of ₹10 each	1,164.05	1,164.05
	<u>1,164.05</u>	<u>1,164.05</u>

The Company has a single class of equity shares having a par value of ₹ 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as and when declared. Voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to their share of the paid-up equity capital of the Company held. Voting rights cannot be exercised in respect of shares on which any call or sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the years :

Particulars	As at 31.03.2025		As at 31.03.2024	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
At the beginning of the year	1 16 40 478	1164.05	1 16 40 478	1164.05
Shares allotted during the year	-	-	-	-
At the end of the year	1 16 40 478	1164.05	1 16 40 478	1164.05

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

(d) Details of Shareholders holding more than 5% of total number of equity shares.

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
Mr. Ankur Patodia	13 11 771	11.27%	13 11 771	11.27%
Mrs. Prabha Patodia	18 77 998	16.13%	18 77 998	16.13%
Mrs. Mala Patodia	10 04 780	8.63%	10 04 780	8.63%
Beekaypee Credit Private Limited	8 22 311	7.06%	8 22 311	7.06%
Patodia Exports & Investments Private Limited	7 74 487	6.65%	7 74 487	6.65%
Umang Finance Private Limited	7 33 052	6.30%	7 33 052	6.30%

- (e) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts or commitments for the sale of shares or disinvestment.
- (f) There are no issue of shares allotted as fully paid up shares pursuant to contract(s) without payment being received in cash or buy back or bonus shares in the preceding five years.
- (g) There are Nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.
- (h) During the year ended 31.03.2025 and in the previous year, no securities convertible into Equity/Preferential shares.
- (i) During the year ended 31.03.2025 and in the previous year, there are no calls unpaid including calls unpaid by Directors and officers as on balance sheet date.
- (j) Shares held by promoters at the end of the year

Promoter name	As at 31.03.2025		As at 31.03.2024		% Change during the year
	No. of Shares	%of total shares	No. of Shares	%of total shares	
Shri. Ankur Patodia	1,311,771	11.27%	1,311,771	11.27%	Nil
Smt. Prabha Patodia	1,877,998	16.13%	1,877,998	16.13%	Nil
Smt. Mala Patodia	1,004,780	8.63%	1,004,780	8.63%	Nil
Smt. Swati Patodia	271,900	2.34%	271,900	2.34%	Nil
M/s. Beekaypee Credit Private Limited	822,311	7.06%	822,311	7.06%	Nil
M/s. Patodia Exports and Investments Pvt Ltd	774,487	6.65%	774,487	6.65%	Nil
M/s. Umang Finance Pvt Ltd	733,052	6.30%	733,052	6.30%	Nil
Shri. Arnav Patodia	579,440	4.98%	579,440	4.98%	Nil
Total	7,375,739	63.36%	7,375,739	63.36%	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
13 Other Equity		
(i) Reserve & Surplus		
(a) General Reserve		
Balance as at the beginning and the end of the year	<u>2,092.36</u>	<u>2,092.36</u>
(b) Retained earnings		
Balance as at the beginning of the year	(12,558.68)	(11,354.43)
Less: Profit/(Loss) for the year from the Statement of Profit and Loss	(782.35)	(1,204.25)
Transfer from Revaluation Surplus	5,306.17	-
Balance as at the end of the year	<u>(8,034.86)</u>	<u>(12,558.68)</u>
(ii) Revaluation surplus		
Balance as at the beginning of the year	9,110.16	9,110.16
Transfer to Retained Earnings	(5,306.17)	-
Balance as at the end of the year	<u>3,803.99</u>	<u>9,110.16</u>
(iii) Other Comprehensive income		
Balance as at the beginning of the year	(287.97)	(283.65)
Changes during the current year	38.91	(4.32)
Balance as at the end of the year	<u>(249.06)</u>	<u>(287.97)</u>
Total	<u>(2,387.57)</u>	<u>(1,644.13)</u>

(i) General Reserve

The general reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of their comprehensive income.

(ii) Retained earnings

Retained earnings represents the Company's undistributed earnings/(losses) after taxes.

(iii) Revaluation surplus

Revaluation surplus represents the surplus over cost against market value on revaluation of freehold land of the Company pursuant to recognition of freehold land on revaluation model as per the provisions para 29 to 31 of the Ind AS 16 - Property, Plant and Equipment. This surplus is not considered for distribution of dividend to equity shareholders.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

		As at 31.03.2025 (Amount ₹ in Lakhs)		As at 31.03.2024 (Amount ₹ in Lakhs)	
		Non Current	Current	Non Current	Current
14 a	Borrowings				
	Secured				
	Term Loans				
	Banks	-	-	-	501.98
	Working Capital facilities	-	-	-	
	Banks	-	-	-	1,204.16
	Interest Accrued on above loans	-	-	-	2,144.28
	Advance received for sale of Property, Plant and Equipment		705.81		56.67
	Liabilities against Asset held for sale	<u>-</u>	<u>705.81</u>	<u>-</u>	<u>3,907.09</u>
14 b	Unsecured				
	Loan from a Director Interest range @ 7% to 11.50 %	-	-	-	374.45
	Loan from relatives of Director - Interest range @ 7% to 11.50%	-	-	-	204.70
	Loan from Corporates Interest range @ 6.75% to 16%	-	2,401.11	-	3,201.11
	Trade Advance	-	194.96	-	194.96
	Short term loan from related parties @ 7 % Interest	-	350.00	-	350.00
		<u>-</u>	<u>2,946.07</u>	<u>-</u>	<u>4,325.22</u>
15	Borrowings				
	5,10,000 6.5% Non-Cumulative Non - Convertible Non-Participating Redeemable Preference Shares of ₹ 100 each	199.47		182.02	
		<u>199.47</u>		<u>182.02</u>	

i. Reconciliation of number of Preference shares and amount outstanding at the beginning and end of the year

5,10,000, 6.5% Non-Cumulative Non-Convertible Non-Participating Redeemable Preference Shares of ₹ 100 each

Particulars	As at 31.03.2025		As at 31.03.2024	
	No. of Shares	Amount in ₹ lakhs	No. of Shares	Amount in ₹ lakhs
As at beginning of the Year	510000	510.00	510000	510.00
Shares issued during the Year	Nil	Nil	Nil	Nil
At the end of the Year	510000	510.00	510000	510.00

ii Rights, preferences and restrictions attached to Preference shares

510000, 6.5% Non-Cumulative Non-Convertible Non-Participating Redeemable Preference shares issued. The issue details are as follows;

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

Date of Issue	Date of Redemption	Earlier Redemption
26/11/2020	Not exceeding 15 (fifteen) years from the date of allotment	After 2 (two) years from the date of allotment

Term Loans (Emergency Credit Line):

Term loans are from Banks and outstanding Nil (Previous year - ₹ 501.98 lakhs) were guaranteed by National Credit Guarantee Trustee Company (NCGTC) of Government of India under Emergency Credit Line Guarantee scheme and secured by second charge on block assets of the Company.

Re-payment terms of Term Loan from Banks:

Outstanding Nil (Previous year ₹ 501.98 lakhs) Moratorium first 12 months and Repayment in 36 EMI.
Repayment starts from November 2021 Weighted Average
Rate of Interest 9.50% p.a. (Previous year 9.25%).

Working Capital facilities:

Working Capital Loans from Banks were secured by pari passu first charge by way of hypothecation of current assets, and further secured by way of first charge on all immovable assets, both present and future and on all movable assets of the company (excluding assets purchased on hire purchase basis), ranking pari passu interse, and also guaranteed by Chairman & Managing Director, a Director and one promoter of the Company.

Average rate of interest rate is (Previous year 13.64% p.a)

Loan from Director and relatives of Directors:

As per the borrowal terms, the company has the right to repay the amount fully or partly in case it does not require the same to meet its working capital requirements. The Company proposes that repayment will be on long term basis and hence classified as long term borrowings.

Rate of interest at 11.50% p.a. (Previous year 11.50% p.a.)

Loan from Corporates:

Loan from corporates are repayable on demand carrying interest rate ranging from 6.75% p.a. to 16.00% p.a. (Previous year ranging from 6.75% to 16.00%)

Short Term Loan from Related parties:

Short Term Loan from related parties are repayable on demand Interest rate 7.00% (Previous year @ 7.00 %)

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
16 Other financial liabilities		
Interest accrued but not due on borrowings	386.97	423.27
	386.97	423.27
17 Other Current liabilities		
Statutory payable and other dues	19.77	40.07
Other liabilities	11.04	21.45
Expense Payable	860.27	815.31
	891.08	876.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31.03.2025 (Amount ₹ in Lakhs)	As at 31.03.2024 (Amount ₹ in Lakhs)
18 Provisions		
Provision for Employee benefits	15.69	15.69
Employee benefit - Gratuity Current portion	95.63	123.97
	<u>111.32</u>	<u>139.66</u>
19 Other expenses		
Electricity	3.49	-
Rates and Taxes	6.39	-
Rent	25.78	-
Directors Sitting Fee	4.03	-
Payment to Auditors		-
Audit Fee	2.10	-
Certification Charges	0.40	-
Miscellaneous Expenses	1.79	-
TOTAL	<u>43.98</u>	<u>-</u>
20 Profit / (Loss) for the year from discontinued operations		(Amount ₹ in Lakhs)
Particulars	31.03.2025	31.03.2024
Revenue :		
Income from Sales and Other Income	76.54	93.10
Profit on sale of Property, Plant and Equipment	689.78	249.53
Total Income	<u>766.32</u>	<u>342.63</u>
Expenses:		
Expenses : Employee cost and other Admin. Expenses	252.72	545.64
Payment to Auditors		
Audit Fee	2.10	2.10
Certification Charges	0.40	0.40
Finance cost	727.74	1019.19
Depreciation	-	3.52
Provision for workmen settlement compensation	-	125.91
Commission on Sale of Land & Liquidity Damages	538.50	-
Total Expenses	<u>1521.46</u>	<u>1696.76</u>
Net Profit / (loss) on Discontinuing operation	<u>(755.14)</u>	<u>(1354.13)</u>

Cotton Yarn manufacturing operation was permanently stopped during second quarter of FY 2022-23.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

21 Earning per share

		Year ended 31.03.2025	Year ended 31.03.2024
		(Amount ₹ in Lakhs)	(Amount ₹ in Lakhs)
Net profit /(Loss) from discontinued operations		(43.98)	-
Weighted average Number of Equity Shares (₹10 per share)	Nos	11640478	-
Basic and diluted Earning Per Share on discontinuing operation	₹	(0.38)	-
Net profit /(Loss) from discontinued operations		(738.37)	(1,204.25)
Weighted average Number of Equity Shares (₹10 per share)	Nos	11640478	11640478
Basic and diluted Earning Per Share on discontinuing operation	₹	(6.34)	(10.35)

22 Employee Benefits Plan

Gratuity:

In accordance with the applicable laws, the Company provides for Gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity plan provides for a lump sum payment to vested employees on retirement (subject to the completion of 5 years of continuous employment), death, incapacitation or termination of the employment based on last drawn salary and tenure of employment.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the Gratuity Fund administered by Life Insurance Corporation of India, which is basically a year-on-year cash accumulation plan. Though the Company has not fully funded to group gratuity policy fund of LIC, adequate provision has been made in the books of accounts. As part of the scheme the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity settlements during the year subject to sufficiency of funds under the policy.

	Gratuity Plan 2024-25 (Amount ₹ in Lakhs)	Gratuity Plan 2023-24 (Amount ₹ in Lakhs)
Change in Defined Benefit Obligation (DBO) during the year		
1 Present value of DBO at the beginning of the year	133.94	546.93
2 Current Service cost	1.82	2.96
3 Interest cost	9.50	40.01
4 Actuarial (gain)/ loss arising from changes in demographic assumptions	-	3.96
5 Actuarial (gain)/ loss arising from changes in financial assumptions	0.62	(3.41)
6 Actuarial (gain)/ loss arising from changes in experience adjustments	(39.80)	1.09
7 Benefits paid	(4.39)	(457.60)
Present value of DBO at the end of the year	101.69	133.94
Change in fair value of plan assets during the year		
1 Fair value of plan assets at the beginning of the year	9.97	11.88
2 Interest income	0.70	0.87
3 Employer contributions	-	-
4 Benefits paid	(4.39)	-
5 Re-measurements - return on plan assets (excluding interest income)	(0.22)	(2.78)
Fair value of plan assets at the end of the year	6.06	9.97
Amounts recognised in the Balance Sheet		
1 Present value of DBO at the end of the year	101.69	133.94
2 Fair value of plan assets at the end of the year	6.06	9.97

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	Gratuity Plan 2024-25 (Amount ₹ in Lakhs)	Gratuity Plan 2023-24 (Amount ₹ in Lakhs)
Funded status of the plans - Surplus / (Deficit)	(95.63)	(123.97)
Assets and (Liability) recognised in the Balance sheet - Current	(95.63)	(123.97)
Assets and (Liability) recognised in the Balance sheet - Non Current	-	-
Components of employer expense		
1 Current service cost	1.82	2.96
2 Interest cost / (income) on net defined benefit obligation	8.79	39.14
Expense recognised in Statement of Profit and Loss	10.61	42.10
Re-measurements on the net defined benefit obligation		
Return on plan assets(excluding interest income)	0.22	2.78
Actuarial (gain) / loss arising from changes in demographic assumptions	-	3.96
Actuarial (gain) / loss arising from changes in financial assumptions	0.62	(3.41)
Actuarial (gain) / loss arising from changes in experience adjustments	(39.80)	1.09
Re-measurements recognised in other comprehensive income	(38.96)	4.42
Total defined benefit cost recognised	(28.35)	46.52
Nature and extent of investment details of the plan assets		
State and Central Securities	-	-
Bonds	-	-
Special Deposits	-	-
Insurer Managed funds	100%	100%
Assumptions		
Discount rate	6.45%	7.10%
Expected rate of salary increase	0.00%	0.00%
Sensitivity analysis - DBO at the end of the year (in lakhs)		
Discount rate + 100 basis points	100.74	132.70
Discount rate - 100 basis points	102.65	135.20
Salary Growth rate + 1%	102.70	135.28
Salary Growth rate - 1%	100.67	132.60
Attrition rate +50%	101.80	134.56
Attrition rate -50%	101.38	132.86
Weighted average duration of DBO	1 year	1 year
Expected cash flows (in lacs)		
1. Expected employer contribution in the next year	95.63	123.97
2. Expected benefit payments		
Year 1	102.06	135.57
Year 2 to year 5	-	-
Year 6 to year 10	-	-
Beyond 10 years	-	-

23 The accounts of certain Trade Payables, Loans & Advances are subject to formal confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.

24 In term of Ind AS-108 Operating Segments, the company operates materially only in one business segment viz., Textile industry and have its production facilities and all other assets located within India.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

25 Related Party Disclosures pursuant to Ind AS 24

(a) Names of Related parties and nature of relationships.

i. Associate:

Patspin India Ltd

ii. Enterprises/ Entities having relatives of Key Management Personnel

GTN Enterprises Ltd

Beekaypee Credit Private Ltd

Umang Finance Private Ltd

Patodia Exports and Investments Private Ltd

iii. Key Management Personnel:

Shri B.K. Patodia – Chairman & Managing Director

Shri E.K. Balakrishnan - Vice President (Corporate Affairs) & Company Secretary

Shri Achuthan M - Chief Financial Officer

iv Relatives of Key Management Personnel:

1. Smt. Prabha Patodia, Wife of Sri. B.K. Patodia
2. Shri. Umang Patodia, Son of Sri. B.K. Patodia
3. Shri. Ankur Patodia, Son of Sri. B.K. Patodia
4. Smt. Mala Patodia, Daughter in Law of Sri. B.K. Patodia
5. Smt. Swati Patodia, Daughter in Law of Sri. B.K. Patodia

(b) Transactions / Balances

(Amount ₹ in Lakhs)

	Associates		Enterprises/ Entities having relatives of Key Management Personnel		Other Related Parties	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Sale of goods	28.98	0.20	-	-	-	-
Receiving of services	-	-	-	-	11.20	12.98
Remuneration paid	-	-	-	-	41.98	44.21
Un Secured Loans taken	-	-	-	665.00	1,020.00	102.55
Un Secured Loans repaid	-	-	-	-	1,609.15	189.50
Interest Paid	-	-	-	129.80	36.60	68.20
Balances as at year end						
Trade Payables	-	-	-	-	-	-
Trade Receivables	-	-	793.99	660.04	-	-
Loans Outstanding	34.76	34.76	-	-	-	-
Interest Payable	-	-	1,196.50	1,336.50	-	579.15
Investments	-	-	212.54	228.56	-	66.69
	1,964.26	1,964.26	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

(c) Disclosure in respect of transactions with related parties during the year		(Amount ₹ in Lakhs)	
		Transactions	
		2024-25	2023-24
(i) Sale of goods			
a) Cotton Yarn			
i) GTN Enterprises Ltd.		24.97	-
b) Store Items			
i) Patspin India Ltd.		-	0.20
c) Vehicle			
i) GTN Enterprises Ltd.		4.01	-
(ii) Receiving of services			
a) Rent Paid			
i) Prabha Patodia		1.50	1.80
ii) Mala Patodia		0.75	0.90
iii) Swati Patodia		8.25	9.90
b) Sitting fee paid			
i) Other Related Parties		0.70	0.38
(iii) Remuneration paid			
Shri. B K Patodia		41.98	44.21
(iv) Un Secured Loans taken			
i) Shri. B.K. Patodia		780.00	77.80
ii) Smt. Prabha Patodia		-	12.00
iii) Shri. Umang Patodia		240.00	9.70
iv) Smt. Swati Patodia		-	3.05
v) M/s Beekaypee Credit Pvt Ltd		-	475.00
vi) M/s Umang Finance Private Ltd		-	190.00
(v) Un Secured Loans repaid			
Other Related parties			
i) Shri. Ankur Patodia		20.00	141.50
ii) Smt. Mala Patodia		29.85	48.00
iii) Smt. Prabha Patodia		128.50	-
iv) Smt. Swati Patodia		36.35	-
v) Shri. B K Patodia		1,019.90	-
vi) Shri. B K Patodia HUF		3.00	-
vii) Shri. Umang Patodia		348.55	-
viii) Shri. Umang Patodia HUF		23.00	-
(vi) Interest Paid			
i) Shri. B.K. Patodia		32.30	17.81
ii) Binod Kumar Patodia HUF		0.93	0.30
iii) Smt. Prabha Patodia		-	13.40
iv) Shri. Umang Patodia		0.59	11.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	Transactions	
	2024-25	2023-24
v) Shri. Umang Patodia HUF	2.15	1.61
vi) Shri. Ankur Patodia	-	13.39
vii) Shri. Ankur Patodia HUF	-	0.70
viii) Smt. Mala Patodia	0.63	6.06
ix) Smt. Swati Patodia	-	3.79
x) M/s Beekaypee Credit Pvt Ltd	-	76.50
xi) M/s Umang Finance Private Ltd	-	31.13
xii) M/s Patodia Exports & Investments Private Ltd	-	22.17

Notes:

- (i) The related parties have been identified by the Management and relied upon by the auditors.
- (ii) No amount has been provided for/written off/written back, pertaining to related parties.

26 Contingent liabilities and commitments

Contingent liabilities :

The Deputy Commissioner of SGST department, Aluva issue combined show cause notice for the years 2020-21 & 2021-22 proposing tax demand of ₹ 66.06 lac for short payment of RCM and excess utilisation of Input Tax credit. Company had filed an appeal against this order to the appellate authority.

Commitments - Nil

27 Company's cotton yarn manufacturing operations from its Aluva, Kerala Plant was permanently stopped wef. 13.6.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted in lower capacity utilisation and making the operations unviable. Also the Company has fully repaid bank dues during the year and closed bank facilities/accounts. In view of this, various financial risks (Credit Risk, Liquidity Risk, Interest Rate Risk, Capital Risk) were not disclosed..

28 Pursuant to Revised MOU entered with a corporate buyer, out of total 28.14 acres of landed property, the company has sold 16.39 acres by 31.03.2025 for a sale consideration of ₹ 59.99 Cr. and agreement for sale of another 9.33 acres was entered during March 2025. Company has received an amount of ₹ 27.15 Cr against advances as well as sales proceeds during the first quarter 2025-26.

Indian Textiles Industry demand scenario is showing signs of improvement with recent US Tariff advantage. Various Government initiatives (Finalisation of FTA with major markets like UK, EU etc., higher budgetary allocation for FY 2025-26 for Textiles sector, enhanced credit access, export promotion measures and the creation of the Bharat Trade Net digital platform which will streamline trade documentation, facilitate smoother global integration and ease market access for small and medium textile enterprises

After sale of balance Land and with surplus funds as would be available, the company intends to carry on outsourcing of cotton yarn manufacturing / trading in cotton yarn or any other business as permitted in the objects clause of the Memorandum of Association, for better prospects of the Company.

As per MOU entered with the Promoter directors, an amount of ₹ 14.58 Cr advanced to Patspin India Ltd by the company was adjusted against outstanding unsecured loan from the Promoter directors as at 31.3.2025. As a result, Liabilities in the books of the company gets reduced to that extent as at 31.03.2025.

29 Company's cotton yarn manufacturing operations from its Aluva, Kerala Plant was permanently stopped wef. 13.06.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted Deferred in lower capacity utilisation and making the operations unviable. In view of this, Deferred Tax Asset for the current financial year was not recognized and Deferred Tax Liability was re-assessed and reversed the excess provision of ₹ 16.77 lac during the Financial year 2024-25.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

30. Additional information as required under schedule III of the Companies Act, 2013 , of enterprises consolidated as Subsidiary / Associates / Joint Ventures

	Net Assets ie, Total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	(Amount ₹ in Lakh)	As % of Consolidated Profit or Loss	(Amount ₹ in Lakhs)
Parent				
GTN Textiles Limited	100.00%	(1,223.52)	100.00%	(743.39)
Subsidiaries				
Indian - NIL				
Foreign - NIL				
Associates (Investment as per the equity method)				
Indian - Patspin India Limited	0.00%	-	0.00%	-
Foreign - NIL				
Joint Ventures				
Indian - NIL				
Foreign - NIL				

Annexure A

Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Associates

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013

Part - A - Subsidiaries

Part - B - Associates and Joint Ventures

Name of Associates Latest Audited Balance sheet date	Amount of Investment in Associates	Extent of Holding	Net worth attributable to shareholders as per latest balance sheet	Consolidated in Consolidation	Not Considered in Consolidation	Description of how there is influence significant	Reason why the associate is not considered
Patspin India Limited 31.03.2025	1964.26	46.21%	-	-	-	There is significant influence due to percentage (%) of Share capital	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

31 Ratios:

	Ratios:	Measure	2024-25		2023-24		% Variance	Reason for Variance	
a	Current Assets		3231.22		9386.37			Company's cotton yarn manufacturing operations oderations from its Aluva, Kerala Plant was permanently stopped wef. 13.6.2022 on account of unsustainable wages, paucity of working capital and steep increase in cotton prices, which resulted in lower capacity utilisation and making the operations unviable. In view of this Ratios for FY 2024-25 are not comparable with that of previous year (FY2023-24) where the operations were for part of the year.	
b	Current Liabilities		5041.25		9672.07				
	Current Ratio (a/b)	Times		0.64		0.97	-33.95%		
c	Total Debt		3,145.54		4,507.24				
d	Shareholders' Equity		(1,223.52)		(480.08)				
	Debt-Equity Ratio (c/d) (Where total debt refers to sum of Current and Non Current Borrowings)	Times		(2.57)		(9.39)	-72.62%		
e	Profit/(Loss) before tax		(755.14)		(1,354.13)				
f	Finance Cost		-		-				
g	Depreciation and amortization expense		-		-				
h	Earnings available for debt service		(755.14)		(1,354.13)				
i	Current Borrowings		2,946.07		4,325.22				
j	Interest due on borrowings		386.97		423.27				
k	Total Debt services (i+j)		3,333.04		4,748.49				
	Debt Service Coverage Ratio (h/k)	Times		(0.23)		(0.29)	-20.55%		
l	Profit/(Loss) after tax		(782.35)		(1,204.25)				
m	Average Shareholders' Equity		(851.80)		2,088.46				
n	Return on Equity Ratio (l/m)	Percentage	Not applicable due to discontinuing operation from 2 nd quarter of FY 2022-23 onwards						
o	Inventory turnover Ratio	Times							
p	Trade Receivable turnover Ratio	Times							
q	Trade payable turnover Ratio	Times							
r	Net Capital turnover ratio)	Times							
s	Net Profit Ratio	Percentage							
t	Return on Investment	Percentage							
u	Profit/(Loss) before tax		(755.14)		(1,354.13)				
v	Finance Cost		-		-				
w	Earning before Interest and Tax (u+v)		(755.14)		(1,354.13)				
x	Tangible Networkth		(1,223.52)		(480.08)				
y	Total Debt		5,240.72		9,854.09				
z	Deferred Tax Liability		3.05		19.82				
aa	Capital employed (x+y+z)		4,020.25		9,393.83				
	Return on Capital employed (w/aa)	Percentage		-18.78%		-14.42%	30.30%		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

32 Other Statutory Information

- a) All title deeds of immovable property are held in the name of the Company and the Company does not have any immovable property without Title in its name.
- b) Since there is no addition / deletion in Capital Work in Progress (CWIP) and Intangible assets during the year and hence disclosures regarding these items were not made.
- c) Disclosure on PPE & Intangible Assets
 - (1) There is no restriction on the title of Property, Plant and Equipment and Property, which was mortgaged to Lenders for the credit facilities sanctioned to Company.
 - (2) Company has not constructed any item in Property, Plant & equipment.
 - (3) Company has no contractual commitments for the acquisition of Property, Plant & Equipment.
 - (4) Company has no Impairment loss during the year for Property, Plant & Equipment.
 - (5) Company has not revalued any items of Property, Plant & Equipment during the Year
 - (6) Carrying amount of Property, Plant & Equipment are retired from active use and held for disposal.
 - (7) The existence and carrying amounts of intangible assets whose title is not restricted and the carrying amounts of intangible assets are not pledged as security for liabilities.
- d) Company does not hold any benami property and no proceedings were initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 and Rules thereon.
- e) The Company is not a declared wilful defaulter by any bank or financial institution or other lenders.
- f) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- h) The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- i) Utilisation of Borrowed funds and Security Premium:
 - A. The Company has not advanced or loaned to or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding that the Company shall
 - (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

k) Company shall not be required to comply with Corporate Social Responsibility (CSR) as provisions of section 135 of the Companies Act, 2013 is not applicable.

l) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

33 Previous year's figures have been regrouped/reclassified wherever necessary to confirm the current year's presentation.

Signature to Note 1 to 33

As per our report of even date attached

For L. U. KRISHNAN & Co.

Chartered Accountants
(ICAI FRN 001527S)

P. K. MANOJ

Partner
(M. No. 207550)

Place : Chennai
Date : 30th May 2025

For and on behalf of the Board of Directors

B. K. PATODIA

Chairman & Managing Director
DIN: 00003516
Place : Mumbai
Date : 30th May 2025

E.K. BALAKRISHNAN

Vice President (Corporate Affairs)
& Company Secretary

Place : Kochi
Date : 30th May 2025

UMANG PATODIA

Director
DIN: 00003588

ACHUTHAN M

Chief Financial Officer

Place : Kochi
Date : 30th May 2025

[illegible]



Registered Office: 61/464, 6th Floor, Palal Towers, MG Road Ravipuram,
Ernakulam-682 016 Kerala State.

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