



GTN INDUSTRIES LIMITED

62nd ANNUAL REPORT 2023-24



GTN INDUSTRIES LIMITED

Board of Directors

Mr. M.K.Patodia	(DIN:00004752)	Chairman & Managing Director	} Appointed as Addl. Directors w.e.f. 06-08-2024
Mr. C.George Joseph	(DIN: 00309739)	Non-Executive Director	
Mr. Ranganath M V	(DIN:00200486)	Independent Director	
Mr. Ashok Kumar TT	(DIN: 08927060)	Independent Director	
Mrs. Sabari S. Kambli	(DIN: 00039148)	Independent Woman Director	

Mr. M.R.Vikram	(DIN: 00008241)	Independent Director	} Retired on Completion of tenure w.e.f. 06-08-2024
Mrs. Rajul Kothari	(DIN:06903721)	Independent Woman Director	

Chief Financial Officer

Mr. V.Raghu Ram
(DIN: 03524068)

Company Secretary & Compliance Officer

Mr. P. Prabhakara Rao
(M.No. 08974)

Bankers

Central Bank of India
IDBI Bank Ltd
YES Bank Ltd

Auditors

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

Registered Office

Chitkul Village, Patancheru Mandal
Sangareddy District – 502 307
Telangana

Corporate Office

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

CIN NO: L18101TG1962PLC054323

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NOTICE

Notice is hereby given that the 62nd Annual General Meeting of **M/s.GTN INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Chitkul Village, Patancheru Mandal, Sanga Reddy District-502307, Telangana, on Friday the 27th day of Sept, 2024 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss account for the year ended on that date together with the Reports of Directors and the Auditors thereon.

SPECIAL BUSINESS

2. To approve re-appointment of Shri Mahendra Kumar Patodia (DIN 00004752) as Chairman & Managing Director and in this regard to consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196,197 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Mahendra Kumar Patodia(DIN 00004752) as Chairman & Managing Director of the Company for a period of 5 (Five) years with effect from 7th August, 2024, on the terms and conditions including remuneration as is set out in the agreement to be entered into between the Company and Shri Mahendra Kumar Patodia a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to the 'Board' which terms 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 modifications or 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 Mahendra Kumar Patodia.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

3. To appoint Shri Ranganath Venkata Mamidipudi (DIN 00200486)as an Independent Director and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ranganath Venkata Mamidipudi (DIN 00200486), who was appointed as an Addl.Director liable to retire by rotation and whose term will expire at next AGM i.e., 2024, however in terms of the appointment of Independent Directors, Shri Ranganath Venkata Mamidipudi (DIN 00200486) will retire and be re-appointed in this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 67th Annual General Meeting of the Company in the calendar year 2029.

4. To appoint Shri Ashok Kumar Tiruvallur Thattai (DIN 08927060)as an Independent Director and in this regard to consider and if thought fit,to pass, with or without modification(s), the following resolution as a Special Resolution:

NOTICE (Contd...)

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ashok Kumar TiruvallurThattai (DIN 08927060), who was appointed as an Addl.Director liable to retire by rotation and whose term will expire at next AGM i.e., 2024, however in terms of the appointment of Independent Director, Shri Ashok Kumar Tiruvallur Thattai (DIN 08927060) will retire and be re-appointed in this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 67th Annual General Meeting of the Company in the calendar year 2029.

5. To appoint Ms.Sabari S. Kambli (DIN No. 00039148) as an Independent Woman Director and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms.Sabari S. Kambli (DIN No. 00039148), who was appointed as an Addl.Director liable to retire by rotation and whose term will expire at next AGM i.e 2024, however in terms of the appointment of Independent Director, Ms.Sabari S. Kambli (DIN No.00039148) will retire and be re-appointed in this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing

his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 67th Annual General Meeting of the Company in the calendar year 2029.

6. To approve retirement on completion of tenure of Shri. M. R. Vikram (DIN: 00008241), and Smt. Rajul Kothari (DIN: 06903721), Independent Director and Independent Woman Director Respectively.

In this regard 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, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Shri M R Vikram (DIN: 00008241) and Smt. Rajul Kothari (DIN. 06903721), who were appointed as an Independent Director and Independent Woman Director of the Company for a term of 5 (five) consecutive years commencing from 7th Aug, 2014 up to 6th Aug, 2019 (both days inclusive) and who were re-appointed second term for a further 5 consecutive years from 7th Aug, 2019 to 6th Aug, 2024. Since the completion of their two 5 consecutive terms have been completed at the conclusion of the 62nd Annual General Meeting of the company which will be held in the Month of Sept, 2024. In this regard and to comply Section 149(10) & (11) of the Companies Act, 2013, No Independent Director shall hold office for more than two consecutive terms, and after re-appointment of Two consecutive terms further appointment will be after cooling period of 3 years. Hence, Shri M R Vikram (DIN: 00008241) and Smt. Rajul Kothari (DIN. 06903721) retired as an

NOTICE (Contd...)

Independent Director and Independent Woman Director respectively.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. C. George Joseph (DIN: 00309739) be continued as a Non-Executive Non-Independent Director of the Company liable to retire by rotation, notwithstanding that on 2nd Feb, 2025 he attains the age of 75 years.

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

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, remuneration and out-of-pocket expenses as may be authorized by the Board payable to M/s. NSV Krishna Rao & Co., Cost Accountants, Hyderabad who were appointed by the Board of Directors of the Company to conduct the cost audit for the financial year ending March 31, 2025.”

By order of the Board
For GTN Industries Limited

(P. Prabhakara Rao)
Company Secretary &
Compliance Officer

Place: Hyderabad
Date : 06-08-2024

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy form duly filled in should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Institutional/ Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.,) are required to send scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [ansu @ dvmgopalandassociates.in](mailto:ansu@dvmgopalandassociates.in) with a copy marked to evoting@nsdl.co.in
3. An Explanatory statement pursuant to section 102(2) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed here to and forms part of the Notice.
4. Register of Members and Share Transfer Books will remain closed from 23rd Sept, 2024 to 27th Sept, 2024 (both days inclusive)
5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs incase the shares are held by them in electronic form and with Integrated Registry Management Services Pvt. Ltd., incase the shares are held by them in physical form.
6. Consequent upon introduction of Section 72 of the Companies Act, 2013 and rule 19(1) of the Companies Act (Share capital and Debenture) Rules 2014 Shareholders are entitled to make nomination in respect of shares held by them in physical form. Individual shareholder(s) can avail the facility of nomination. Shareholders desirous of making nominations are requested to send their request in Form SH-13 (which will be made available on request) to the Registrar and Share Transfer Agent.

NOTICE (Contd...)

7. Pursuant to Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be appointed or re-appointed:

Name of the Director	Shri C. George Joseph	Shri Mahendra Kumar Patodia	Shri Ranganath Venkata Mamidipudi	Shri Ashok Kumar Tiruvallur Thattai	Smt. Sabari S. Kambli
Directors Identification Number (DIN)	00309739	00004752	00200486	08927060	00039148
Date of Birth	02-02-1950	25-08-1951	26-09-1962	11-04-1953	30-05-1960
Date of Appointment	28-01-2020	06-08-2024	06-08-2024	06-08-2024	06-08-2024
Qualification	Engineering Graduate (B.Tech)	FCA	BA, FCA	FCA	FCA
Expertise in specific Functional Area	He is having experience in spinning, textile projects and running factory over a period of 36 years	He is having 49 years of experience and he looks after the operations of the Company besides financial planning and control	Partner M.Anandam& Co, Chartered Accountants. Audit firm established in 1943.	His expertise covers providing professional advice in accounting and financial reporting for varied business entities and industries as well as entrepreneurial start-ups. His practice includes statutory audits of companies in public and private sector and bank branches and statutory audit of co-operative banks besides experience in forensic audit of company and State referred body.	Her expertise covers providing professional advice in accounting and financial reporting for varied business entities and industries as well as entrepreneurial start-ups. Her practice includes statutory audits of companies in public and private sector and statutory audit of co-operative banks. She is certified Forensic Auditor she is also experience in handling GST matters.

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Name of the Director	Shri C. George Joseph	Shri Mahendra Kumar Patodia	Shri Ranganath Venkata Mamidipudi	Shri Ashok Kumar Tiruvallur Thattai	Smt. Sabari S. Kambli
Shareholding	200	2727713	0	0	0
Details of other Directorships	1)GTN Engineering (India) Ltd., 2) GTN Fashions Ltd	1) GTN Engineering (India) Ltd 2) Perfect Spinners Ltd 3) Modesty Textiles Ltd 4) GTN Fashions Ltd 5) Emkaypee Investments Pvt. Ltd. 6) Megha Investments Pvt. Ltd 7) GTN Engineering INC	1) M/s M.Anandam Consultancy Services (P) Ltd 2) M/s HighPoints Technologies India (P) Ltd 3) M/s Finisar Technologies (P) Ltd 4) M/s Pythian India (P) Ltd 5) M/s Avaamo technologies Pvt. Ltd. 6) Phythian India Pvt. Ltd.,	NIL	1) GTN Engineering (India) Ltd
Details of other Committee(s) and Membership status	1) GTN Industries Ltd., Member: - Audit Committee - Nomination & Remuneration Committee - Stake holders Relationship Committee 2) GTN Engineering (India) Ltd., Member: - Audit Committee - Nomination & Remuneration Committee - CSR Committee	1) GTN Engineering (India) Ltd Chairman : Corporate Social Responsibility (CSR) Committee Member: Audit Committee:	1) GTN Industries Ltd. Chairman : Audit Committee - Stakeholders Relationship Committee 1) GTN Engineering (India) Ltd Chairman : Audit Committee Member: - Nomination and Renumeration Committee - Corporate Social Responsibility Committee	1) GTN Industries Ltd. Chairman : Nomination and Remuneration Committee Member: - Audit Committee	1) GTN Industries Ltd Member - Nomination & Remuneration Committee - Stake holders Relationship Committee 1) GTN Engineering (India) Ltd Member: - Audit Committee - Nomination & Remuneration Committee

NOTICE (Contd...)

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

Item No.2

Present term of office of Shri Mahendra Kumar Patodia as a Chairman & Managing Director will expire on 30th Nov, 2024. Subject to Shareholders approval, the Board of Directors may reappoint him for a further period of Five (5) years from 7th August,2024,on the remuneration determined by the Nomination & Remuneration Committee of the Board of Directors.

In terms of Govt. of India, Ministry of Corporate Affairs, Notification NCAR rules,2014, dated 27th March,2014 where in any financial year, during the currency of tenure of the managerial person, a Company has no profits or its profits are inadequate, it may without Central Govt. approval, pay remuneration to the managerial person not exceeding higher of the limits mentioned under (A) and (B) of Section 2 of Part II of Schedule V of the Companies Act, 2013. (A) Payment of remuneration by way of Salary, Dearness Allowance,Perquisites and any other allowance shall not exceed Rs.60 lacs per annum.

However, if the appointment is approved by special resolution the above limit shall be Rs.120 lacs. (B) In the case of a managerial person who was not a security holder holding securities of the Company of nominal value of Rupees five lakh or more or an employee or a director of the company or not related to any director or promoter if any time during the two years prior to his appointment as a managerial person- 2.5% of the current relevant profit whichever is higher.

The Principle terms of the re-appointment and remuneration areas follows:

- a) **Salary:** Rs.4,25,000/- per month in the scale of Rs.4,25,000 - 75,000 - 6,50,000 effective from 7th August, 2024 for a period not exceeding 3 years.
- b) **Commission:** As per the provisions of the Companies Act, 2013
- c) **Perquisites :**
 - (i) Housing : NIL
 - (ii) The expenditure incurred on gas, electricity and water shall be reimbursed by the Company.
 - (iii) Medical expenses including premium paid for mediclaim policy incurred for self and family shall be reimbursed.
 - (iv) Leave Travel Concession for self and family will be allowed once in a year as per the Rules of the Company.
 - (v) Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.
 - (vi) The premium for personal accident insurance policy which shall not exceed Rs.25,000/- per annum.
 - (vii) Provision of Car with driver, mobile phone and Telephone at the residence
 - (viii) Un-availed Leave to be en-cashed as per the rules of the Company.

The value of the above perquisites shall not exceed Rs.75,000/- per month. In addition, Company will make contribution to:

- a) Provident Fund
- b) Superannuation or Annuity Fund to the extent not taxable under the Income Tax Act, and

NOTICE (Contd...)

c) Gratuity as per the provisions of the Payment of Gratuity Act and as per the Gratuity Scheme of the Company.

d) Minimum Remuneration:

The above appointee shall be paid the same remuneration as stated above as minimum remuneration in the event of inadequacy of profit subject to the ceiling of minimum remuneration as stated in Part II, Section II of Schedule V of the Companies Act, 2013 with such modifications as may be made therein from time to time being in force.

Provided, however, that the overall remuneration payable shall not exceed the limits specified under Sections 197 and 203 of the Act.

Shri Mahendra Kumar Patodia, while continuing to be the Chairman & Managing Director, shall not be subject to retirement by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013.

Pursuant to the provisions of Section 203 read with Schedule V of the Companies Act, 2013, the approval of the members in General Meeting is required to be obtained with regard to the re-appointment of Shri Mahendra Kumar Patodia as the Chairman & Managing Director and to the remuneration as set out in item No.3 of the accompanying Notice.

Further, 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 allowances as specified above in the event of absence or inadequacy of profit in any financial year during the tenure of Shri Mahendra Kumar Patodia as the Chairman & Managing Director of the Company.

Information required to be disclosed in terms of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 under the Companies Act, 2013:

I. General Information:

- i) Nature of Industry : Textile Industry - The Company is mainly engaged in manufacture and sale of Cotton Yarn in the segment of medium, fine, and superfine Combed yarn.
- ii) Date or expected date of commencement of commercial production : It is an established company and the production commenced in 1964.
- iii) In case of New Companies expected date of commencement as per project approved by financial Institutions appearing in the prospectus: Not applicable.
- iv) Financial Performance based on given indicators.

The turnover and profitability from 2019-20 onwards is furnished below:

(Rs. in lacs)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sales *	34418	31024	48091	31389	18538
Other Income	111	139	121	223	143
Operating Profit/(Loss)	2008	2554	8523	3303	(29)
Interest	2500	2491	1081	758	430
PBDT/(Loss)	(492)	(63)	7442	2545	(459)
Profit/(Loss) Before Tax	(492)	(827)	5017	2188	(829)
Profit/(loss) After Tax	(557)	(611)	3474	1557	(622)

*Including trading sale

NOTICE (Contd...)

The Effective Capital of the Company based on the Audited accounts for the year ended 31st March, 2024 is Rs. 79.36 Crores.

Regarding default in the repayment of its dues (including Public Deposits) or interest payments thereon are – NIL-

The Company has not issued any debentures.

v) Foreign Investments or collaboration, if any: The Company does not have any Foreign collaboration.

II. Information about the appointee:

- i) Background details : Shri Mahendra Kumar Patodia is an Indian citizen having 73years of age. He is a Chartered Accountant with over 49 years of experience in Textile Industry.

He looks after the operations of the Company besides financial planning and control. Shri Mahendra Kumar Patodia was appointed as an Executive Director with effect from 1st October, 1980 and has been elevated to the post of Managing Director during October, 1989 and continuing since then.

- ii) Past remuneration : During the Financial Year 2023-24, Shri Mahendra Kumar Patodia was paid the following remuneration as against the AGM approved salary of Rs.4,25,000/-lacs per month in the scale of Rs.4,25,00-75,000- 6,50,000 and other perquisites namely Medical expenses, L.T.C., Fees of Clubs, gas, electricity, water bills, carwith driver and personal accident insurance etc. along with contribution to PF, Superannuation and Gratuity.

(Rs. in lacs)

Salary	Commission	Perquisites	Gratuity/ Superannuation	Total
15.00	-	1.97	2.60	19.57

The Nomination & Remuneration Committee and the Board of Directors of the company have recognized the expertise, increase in the activities, increase in the responsibilities shouldered and rich and diversified experience in the industry of Shri Mahendra Kumar Patodia and recommended the remuneration subject to the approval of the shareholders of the Company. His remuneration is comparable with the market trend for a Chairman & Managing Director level Executive.

- iii) Job Profile and his suitability: Shri Mahendra Kumar Patodia is having rich experience in textile industry for 50 years besides he is a qualified Chartered Accountant.
- iv) Remuneration proposed : Rs.4,25,000/-per month and other perquisites as per the Schedule V of the Companies Act 2013.
- v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be with respect to the country of his origin)
- The remuneration proposed is as per the provisions of the Companies Act.
- vi) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

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

NOTICE (Contd...)**III. Other information:**

The Directors' Report and Management Discussion and Analysis forming part of the Annual Report mentioned in detail, 'other information' as required under Schedule V and interms of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 under the Companies Act, 2013.

The draft Agreement referred in the resolutions would be available for inspection by the Members at the Registered Office of the Company on any working day between 11.00A.M. and 1.00 P.M. prior to the date of the meeting.

Shri Mahendra Kumar Patodia is interested in this resolution mentioned in Item No.2 of the notice.

None of the other Directors of the Company is in any way concerned or interested in the resolution mentioned in item No.2 of the Notice.

The terms and conditions mentioned in item No.2 of the notice may also be taken as an abstract of the Agreement to be made by the Company with Shri Mahendra Kumar Patodia, pursuant to Section 190 of the Companies Act, 2013.

Item Nos.3 & 4

Pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Shri M R Vikram (DIN: 00008241), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 7th Aug, 2014 up to 6th Aug, 2019 (both days inclusive) and who was re-appointed second term for a another 5 consecutive years from 7th Aug, 2019 to 6th Aug, 2024. Since the completion of their two 5 years consecutive term have been completed at the conclusion of the 62nd Annual General Meeting of the company

It is proposed to appoint Shri Ranganath Venkata Mamidipudi (DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060) as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 67th Annual General Meeting of the Company in the calendar year 2029.

Shri Ranganath Venkata Mamidipudi (DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060) are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices along with requisite deposits in writing under Section 160 of the Act proposing the candidature of Shri Ranganath Venkata Mamidipudi (DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060) for the office of Directors of the Company.

The Company has also received declarations from Shri Ranganath Venkata Mamidipudi (DIN 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060) that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Ranganath Venkata Mamidipudi (DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060) fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Ranganath Venkata Mamidipudi (DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060) are independent of the management.

NOTICE (Contd...)

Brief resume of Shri Ranganath Venkata Mamidipudi (DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN 08927060), nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the notes forming part of the Annual Report.

Copy of the draft letters for respective appointments Shri Ranganath Venkata Mamidipudi (DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060) as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange(s).

No director, key managerial personnel or their relatives, except Shri Ranganath Venkata Mamidipudi(DIN: 00200486) and Shri Ashok Kumar Tiruvallur Thattai (DIN: 08927060), to whom the resolution relates, is interested or concerned, financially or otherwise in the above resolution.

The Board recommends the Special Resolutions set out at Item Nos. 3 and 4 of the Notice for approval by the shareholders.

Item No. 5

As per the provisions of Section 149(1) of the Companies Act, 2013 and amended clause 49 of Listing Agreement, the company should have at least one woman director. Accordingly, the Board, at its meeting held on 7th August, 2014 commencing from 7th Aug, 2014 up to 6th Aug, 2019 (both days inclusive) and who were re-appointed second term for a another 5 consecutive years from 7th Aug, 2019 to 6th Aug, 2024. Since the completion of two 5 years consecutive term have been completed at the conclusion of the 62nd Annual General Meeting of the company

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Rajul Kothari (DIN: 06903721) will hold office up to the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Ms. Sabari S Kambli (DIN: 00039148) for the office of Independent Woman Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Sabari S Kambli (DIN: 00039148) as an Independent Woman Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Sabari S Kambli (DIN: 00039148) the Independent Woman Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under and she is independent of the Management. A copy of the draft letter for appointment of Ms. Sabari S Kambli (DIN: 00039148) as an Independent Woman Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Ms. Sabari S Kambli, to whom the resolution relates, is interested or concerned in the above resolution.

The Board recommends the Special Resolution set out at Item Nos. 5 of the Notice for approval by the shareholders.

NOTICE (Contd...)**Item No.6**

pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Shri M R Vikram (DIN: 00008241) and Smt. Rajul Kothari (DIN. 06903721), who were appointed as an Independent Director and Independent Woman Director of the Company for a term of 5 (five) consecutive years commencing from 7th Aug, 2014 up to 6th Aug, 2019 (both days inclusive) and who were re-appointed second term for a another 5 consecutive years from 7th Aug, 2019 to 6th Aug, 2024. Since the completion of their two 5 years consecutive term have been completed their tenure at the conclusion of the 62nd Annual General Meeting of the company

Accordingly, approval of the members is being sought for the proposal contained in the resolution set out at item No. 6 of the notice

No director, key managerial personnel or their relatives, except Shri M R Vikram and Smt. Rajul Kothari, to whom the resolution relates, are interested or concerned in the above resolution.

Item No.7

Mr. C. George Joseph, 74 years, is Non-Executive non-Independent Director of the Company. and is liable to retire by rotation.

Mr. C. George Joseph, a Engineering Graduate (B.Tech)is having experiencein spinning, textile projects and runningfactory over a period of 36 yearsand there after has been a Non-Executive Director of the Company.

Mr.C.George Joseph would be attaining the age of 75 years on 2nd Feb, 2025. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr.C.George Joseph as a Non-Executive Director beyond 2nd Feb, 2025, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise.

The Board recommends the resolution for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and /or their relatives is deemed to be concerned or interested (financially or otherwise) in the resolution.

Item No. 8

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

The Board, on the recommendation of the Audit Committee and subject to the rules to be notified by the Ministry of Corporate Affairs in this regard, has approved the appointment of M/s N S V Krishna Rao & Co., Cost Accountants, as Cost Auditor to conduct the audit of the cost records of the Company at a remuneration of Rs. 50,000/- (Fifty Thousand only) p.a. plus applicable taxes and out of pocket expenses at actuals for the financial year ending March 31, 2025.

Accordingly, approval of the members is being sought for the proposal contained in the resolution set out at item No. 8 of the notice.

NOTICE (Contd...)

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

The Board recommends and propose to pass there resolution set out at item No.8 of the notice as an Ordinary Resolution.

By order of the Board
For GTN Industries Limited

Place: Hyderabad
Date : 06-08-2024

(P.Prabhakara Rao)
Company Secretary &
Compliance Officer

VOTING THROUGH ELECTRONIC MEANS:

1. The Ministry of Corporate affairs (MCA) vide its Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/ AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through evoting.
3. The Members can join the EGM/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 EGM/ AGM through VC/OAVM will be made available for 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 EGM/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 reckoning the quorum under Section 103 of the Companies Act, 2013.
5. 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 the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/ AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the

NOTICE (Contd...)

Notice calling the EGM/AGM has been uploaded on the website of the Company at www.gtnindustries.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021

8. **However, the Company is conveying the AGM physically at its Reg.Office at Chitkul Village, Patancheru Mandal, Sangareddy District in the State of Telangana.**

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 24th Sept, 2024 at 9:00 A.M. and ends on 26th Sept, 2024 at 5:00 P.M. The remote e-voting module shall be

disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th Sept, 2024.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

NOTICE (Contd...)

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS eServices, option to register is available at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NOTICE (Contd...)

Type of shareholders	Login Method
	NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. Tab and then your existing myeasi user name and password. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com/home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

NOTICE (Contd...)

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

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

Login type	Help desk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 022-48867000
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 1800- 22-5533

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

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

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

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

4. Your User ID details are given below :

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

NOTICE (Contd...)

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a.pdf file. Open the pdf file. The pass word to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your Password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the pass word by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (OneTime Password) based on login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Homepage of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send

NOTICE (Contd...)

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

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.1800 48867000 or send a request to at_voting@nsdl.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to www.gtnindustries.co
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to

www.gtnindustries.co If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.

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

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

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

NOTICE (Contd...)**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER :**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at www.gtnindustries.com. The same will be replied by the company suitably.

By order of the Board
For GTN Industries Limited

(P.Prabhakara Rao)
Company Secretary &
Compliance Officer

Place: Hyderabad
Date : 06-08-2024

BOARDS' REPORT

To the Members,

Your Directors are presenting the 62nd Annual Report together with the Audited Statements of Account for the year ended 31st March, 2024

FINANCIAL RESULTS (Rs. in Lacs)

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Net Sales/Income from Operations*	18538	31389
Other Income	143	216
Variation in Stock	-818	-1752
Total	17863	29853
EXPENDITURE		
a) Cost of Materials**	12698	20883
b) Staff Cost	1519	1559
c) Power & Fuel	1498	1433
d) Other expenditure	2177	2675
Total	17892	26550
OPERATING PROFIT	-29	3303
Interest	430	758
Profit/(Loss) before Depreciation and Taxation	-459	2545
Depreciation	370	357
Profit/(Loss) Before Tax	-829	2188
Provision for Current Tax	0	-1013
Provision for Deferred Tax	196	381
Other Comprehensive income/(Loss)	11	1
TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAX	-622	1557

The figures of the Corresponding year of the Company are not comparable with those of the previous year on account of the Meadak unit was in the Company from 1st April to 30th April, 2022

* Sales includes Traded goods of Rs 565 lacs (Previous Year Rs. 3919 lacs).

** Cost of Material includes Trading purchases of Rs.550 lacs (Previous Year Rs. 3626 lacs).

DIVIDEND

In view of the inadequate profits and poor performance of the Company during the year, to conserve available resources your Directors have not recommended any Dividend for the year.

PERFORMANCE REVIEW

During the Financial Year under review, the Company has achieved turnover of Rs.18538 lacs against Rs.31389 lacs in the corresponding previous year. The operating loss before interest, depreciation and tax was Rs. 29 lacs as against profit of Rs.3303 lacs. Total Comprehensive loss after Tax is Rs.622 lacs as against Profit of Rs.1557 lacs in the corresponding previous year.

CORPORATE DEBT RESTRUCTURING

The Company has come out from CDR since all the Term Loans and ROR(Right of Recompression) to all the Lenders were paid to their satisfaction. Further, IDBI Bank Ltd has also vide their letter dated 25th Oct, 2022 confirmed the same on exit from CDR. Releasing of Pledge of Shares is under process.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures.
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company at the end of the financial year and of the Loss of the Company for that year.
- they have taken proper and sufficient care, for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- they have prepared the annual accounts on a goingconcern basis.

BOARDS' REPORT (Contd...)

- e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Your Directors affirm their commitments to the Corporate Governance Standards prescribed by the Securities and Exchange Board of India (SEBI). A report on Corporate Governance with Management Discussion and Analysis as required under Regulation 27 of the SEBI Regulations are attached as Annexure:

FIXED DEPOSITS

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

DIRECTORS

Mr.C.George Joseph would be attaining the age of 75 years on 2nd Feb, 2025. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr.C.George Joseph as a Non-Executive Non-Independent Director beyond 2nd Feb, 2025, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise.

Mr. M.R. Vikram and Mrs. RajulKothai were retired due to completion of their two consecutive 5 years term and in their place Mr. Ranganath M.V, Mr. Ashok Kumart T T and Mrs. Sabari S Kambli were appointed as Independent Directors and Independent Woman Director respectively at the Board of Director's Meeting held on 6th Aug, 2024.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of The Companies Act, 2013 and Regulation 27 of the SEBI Regulations.

PERFORMANCE EVALUATION

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

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

AUDITORS**i) Statutory Auditors**

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

ii) Cost Auditors

M/s. NSV Krishna Rao & Co., Cost Accountants were appointed by the Board of Directors as Cost Auditors of your Company for the year ended 31st March, 2024. For the Financial Year 2024-25 M/s. NSV Krishna Rao & Co., Cost Auditor is appointed with a remuneration of Rs. 50,000/- P.A. (Rupees Fifty thousand only) and same is recommended to the Shareholders for approval.

iii) Secretarial Audit

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report
Annexure-II

PERSONNEL & INDUSTRIAL RELATIONS

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

BOARDS' REPORT (Contd...)**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

VIGIL MECHANISM POLICY

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of Section 135 of the companies Act, 2013 Corporate Social Responsibility (CSR) is applicable to the following Companies having Net worth of Rs. 500 Cr. or more or Turnover of Rs 1000 Cr. or more or Net profit of Rs. 5 Cr. or more. However, our Company has achieved a profit of Rs. 2390 lacs for the Financial year 2022-23 and average of last 3 years i.e., 2020-21, 2021-22 and 2022-23 is Rs. 2307 lacs and 2% of average is Rs. 46,14,314/- and where as the company was paid CSR amount of Rs. 50 lacs to JK Lakshmipat University, Jaipur, Rajasthan for utilisation of Higher education related activities.

During the Financial year 2023-24 Company got losses of Rs. 622 lacs

RELATED PARTY TRANSACTIONS POLICY

In pursuance to the provisions of Section 188 of Companies Act, 2013, company established Related Party Transaction Policy. Related party transactions that were entered during the financial year were at an arm's length basis and wherein the ordinary course of business.

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are

periodically placed before the Audit Committee/Board for its omni bus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure-III**.

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is **Annexed-IV** here with

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RISK MANAGEMENT POLICY

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

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. During the Financial Year 2023-24, the Company has received Zero complaints of sexual harassment, out of which Zero complaints have been disposed off by taking appropriate actions. The remaining Nil complaints are under investigation.

BOARDS' REPORT (Contd...)**OTHER MANAGEMENT POLICES**

The following policies are placed in company's website.

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

DECLARATION OF MANAGING DIRECTOR & CEO

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

Further, certified that the members of the Board of Directors and Senior Management personnel have affirmed the compliance with the code applicable to them during the year ended 31st March, 2024

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place: Hyderabad

(M.K. PATODIA)

Date : 06-08-2024 Chairman & Managing Director

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

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

A. Energy Conservation

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

	Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
i	Power Consumption		
	1. Electricity		
	a) Purchased (Units in lacs)	259.73	289.16
	Total amount (Rs. In lacs)	1498.31	1432.36
	Rate per unit (Rs.)	5.77	4.95
	b) Own generation through Diesel	—	0.01
	Generator (units in lacs)	—	2.37
	Units per liter of diesel oil	—	39.58
	Cost per unit (Rs.)	—	—
	2. Coal	Nil	Nil
	3. Furnace Oil (low sulphur high stock oil)	Nil	Nil
	4. Other internal generation	Nil	Nil
ii	Consumption per unit of production		
	a) Electricity – Units per Kg. Yarn	5.82	6.65
	Units	259.73	289.17
	KG Produced	44.63	43.48
	b) Furnace Oil		
	(low sulphur high stock oil) Ltrs.		
	per Kg/unit.		

B. Technology Absorption

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

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

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

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

Earned : **Rs.7508.61 lacs** (Previous year Rs. 12269.60 lacs)

Used : **Rs.28857.22 lacs** (Previous year Rs. 29361.76 lacs)

For and on behalf of the Board

Place: Hyderabad

Date : 06-08-2024

(M.K. PATODIA)

Chairman & Managing Director

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

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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

To
The Members,
GTN Industries Limited

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

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

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

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

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

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

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

- a. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of :
 - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;

BOARDS' REPORT (Contd...)

(iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.

- b. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.

further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further observed the Company spent CSR amount relating to the period 2022-23 as on the date of report.

Name of Company Secretary : **V. SIDVILAS**

Place : Hyderabad

Date : 06-08-2024

ACS No. 41836

COP No. 15578

(UDIN No.: A041836F000860555)

Note: This report is to be read with my letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure "A"

To
The Members,
GTN Industries Limited

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

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

Name of Company Secretary : **V. SIDVILAS**

Place : Hyderabad

Date : 06-08-2024

ACS No. 41836

COP No. 15578

(UDIN No.: A041836F000860555)

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

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

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

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

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

Sl. No	Particulars	Details				
a)	Name(s) of the related party transaction	Perfect Cotton Co.,	Standard Cotton	Patcot	Purav Trading Ltd	GTN Eng.(I) Ltd
b)	Nature of Relationship	Associate	Associate	Associate	Associate	Associate
c)	Nature of contracts/ arrangements/ transaction	Purchase of Cotton	Purchase of Cotton	Purchase of Cotton	Purchase of Cotton	Sale of Yarn, Purchase of goods
d)	Duration of the contracts/ arrangements / transaction	Annually	Annually	Annually	Annually	Annually
e)	Salient terms of the contracts or arrangements or transaction	At Competitive rates and at Arm's length	At Competitive rates and at Arm's length	At Competitive rates and at Arm's	At Competitive rates and at Arm's length	At Competitive rates and at Arm's length
f)	Justification for entering into such contracts or arrangements transactions	AGM approved on 29-09-2022	AGM approved on 29-09-2022	AGM approved on 29-09-2022	AGM approved on 29-09-2022	AGM approved on 29-09-2022
g)	Date of approval by the Board	25-05-2022	25-05-2022	25-05-2022	25-05-2022	25-05-2022
h)	Amount incurred during the year (Rs. in Crores)	-	-	-	-	19.78

BOARDS' REPORT (Contd...)**ANNEXURE – IV****EXTRACT OF ANNUAL RETURN
FORM MGT 9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31.03.2024

I. REGISTRATION & OTHER DETAILS :

i	CIN	L18101TG1962PLC054323
ii	Registration Date	02/08/1962
iii	Name of the Company	GTN INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	Public having Share Capital
v	Address of the Registered office & contact details	Chitkul Village, Patanchru Mandal, Sanga Reddy District, Telangana – 502307
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Pvt. Ltd. 2nd Floor, Kences Towers, No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017 Ph: 044 28140801-03 Fax: 044-28142479 E mail: csdstd@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No	Name & Description of main products/services	NIC Code of. products/services	% of total turnover of the company
1	Cotton Yarn/Spinning	13111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLP	Holding/ Subsidiary Associate	% of shares held	Applicable Sections
	NIL	NIL	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2023)				No. of shares held at the end of the year (as on 31.03.2024)				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									

BOARDS' REPORT (Contd...)

Category of Shareholder	No. of shares held at the beginning of the year (as on 01.04.2023)				No. of shares held at the end of the year (as on 31.03.2024)				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
Indian Individual/Hindu Undivided Family	4354149	-	4354149	24.830	4354149	-	4354149	24.830	0
Central Government State Government Bodies Corporate	8684679	-	8684679	49.510	8684679	-	8684679	49.510	0
Financial Institutions /Banks									
Any other (specify)									
SUB TOTAL A(1)	13038828	-	13038828	74.340	13038828	-	13038828	74.340	0.0
(ii) Foreign									
Individual(Non resident/foreign)									
Bodies corporate Institutions									
Qualified Foreign Investor									
Any other(specify)									
SUB TOTAL A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter and Promoter Group (A)=A(1)+A(2)	13038828	-	13038828	74.340	13038828	-	13038828	74.340	-
Public Shareholding									
Institutions Mutual funds/UTI	400	-	400	-	400	-	400	-	-
Financial Institutions /Banks	900	196	1096	0.010	900	196	1096	0.01	-
Central Government State Government(s) Venture Capital Funds									

GTN INDUSTRIES LIMITED
BOARDS' REPORT (Contd...)

Category of Shareholder	No. of shares held at the beginning of the year (as on 01.04.2023)				No. of shares held at the end of the year (as on 31.03.2024)				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
Insurance Companies									
Foreign Institutional Investors									
Foreign Venture Capital Investors									
Qualified Foreign Investor									
Any other(specify)									
SUB TOTAL B(1)	1300	196	1496	0.010	1300	196	1496	0.010	-
Non-Institutions									
Bodies Corporate (Indian/foreign/ Overseas)	74384	2918	77302	0.440	88681	2904	91585	0.520	0.08
Individuals (Resident/NRI/ Foreign National)	-	-	-	-	-	-	-	-	-
Individual sharehodlers holding Nominal share Capital upto Rs.1 Lakh	2647204	216149	2863353	16.320	2735397	209269	2944666	16.790	0.47
Individual sharehodlers holding Nominal share Capital above Rs.1 Lakh	1511316	17700	1529016	8.720	1415259	17700	1432959	8.170	-0.55
Any other(specify)									
Clearing Member	24508	0	24508	0.140	27844	0	27844	0.160	0.02
Others	5875	0	5875	0.030	3000	0	3000	0.020	-0.02
SUB TOTAL B(2)	4263287	236767	4500054	25.660	4270181	229873	4500054	25.660	-
Total Public Share Holding (B)=B(1)+B(2)	4264587	236963	4501550	25.660	4271481	230069	4501550	25.660	-
TOTAL (A)+(B)									
Shares held by Custodians and against which Depository Receipts have been issued (C)									
GRAND TOTAL (A)+(B)+(C)	17303415	236963	17540378	100.000	17310309	230069	17540378	100.00	-

BOARDS' REPORT (Contd...)**(ii) Shareholding of Promoters**

SI No	Shareholders Name	No.of shares held at the beginning of the year (as on 01.04.2023)			No.of shares held at the end of the year (as on 31.03.2024)			% change in Share holding during the year
		No.of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No.of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	GTN Engineering (India) Limited	8684679	49.51	35.51	8684679	49.51	35.51	Nil
2	Mahendra Kumar Patodia	2727713	15.55	2.56	2727713	15.55	2.56	Nil
3	Mahendra Patodia (HUF)	1112104	6.34	0	1112104	6.34	0.00	Nil
4	Anjana Patodia	514332	2.93	0	514332	2.93	0.00	Nil
	Total	13038828	74.34	38.07	13038828	74.34	38.07	

(i) Change in Promoters' Shareholding (please specify, if there is no change)

SI No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
	At the beginning of the year	13038828	74.34	13038828	74.34
1	Data wise Increase/ Decrease in Promoters Share holding during the Year specifying the reasons for increase/ decrease (e.g .allotment/ transfer/ bonus/ sweat/ equity etc.)	NIL	NIL	NIL	NIL
		-	-	13038828	74.34

BOARDS' REPORT (Contd...)**(ii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl No	Shareholder's Name	No.of Shares held at the beginning of the year (01.04.2023)		No.of Shares held at the end of the year (31.03.2024)	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	DINESH CHAND JAIN	201826	1.151	201826	1.151
2	JOSEPH MATHEW KOLLAMALA	69739	0.398	38239	0.218
3	ATMARAM SHANKAR TORASKAR	57000	0.325	57000	0.325
4	BENJAMIN OMANAKUTTY	50911	0.290	50911	0.290
5	PUNJABHAI KESHAVBHAI JADEJA	50911	0.290	50911	0.290
6	B.LAVANYA	50000	0.285	40000	0.228
7	SHARMA HEMAMAHESWARA ALURU	45050	0.257	42793	0.244
8	NATHALAL V DHOLIYA	42793	0.244	42793	0.244
9	SABITA PRASAD	40600	0.231	40756	0.232
10	VSK MURTHY BALIJEPALLI	30000	0.071	51000	0.291

(iii) Shareholding of Directors and Key Managerial Personnel :

Sl No	For each of the Directors/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
1	M.K.Patodia	2727713	15.56	2727713	15.56
2	C George Joseph	200	0.00	200	0.00
3	V.Raghu Ram	1	0.00	1	0.00
4	P.Prabhakara Rao	1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Rs. in thousands)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
INDEBTEDNESS AT THE BEGINNING OF YEAR				
i) Principal Amount	87807	35524		123331
II) interest accrued but not paid	-	-		
III) interest accrued but not due	-	3932		3932
TOTAL (I+II+III)	87807	39456	-	127263

BOARDS' REPORT (Contd...)

(Rs. in thousands)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Changes in Indebtedness During the Year				
Addition	93741	-		93741
Reduction	-	735		735
Net Change	93741	(735)		93006
Indebtedness at the End of the Year				
i) Principal Amount	181548	35524		217072
ii) Interest accrued but not paid	-	-		
iii) Interest accrued but not due	-	3197		3197
TOTAL (I+II+III)	181548	38721	-	220269

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

(Rs. in lacs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager	Amount
1	Salary	M.K.Patodia	19.57

B. Remuneration to other directors :

(Amount in Rs.)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1.	Independent Director	M.R. Vikram	Rajul Kothari	-	
	Fee for attending Board/ Committee Meetings	75000	75000	-	150000
	Total(1)	75000	75000	-	150000
2.	Other Non-Executive Directors	-	-	C.George Joseph	
	Fee for attending Board/ Committee Meetings	-	-	60000	
	Total(1)			60000	60000
	Total Remuneration(1+2)	75000	75000	60000	210000

BOARDS' REPORT (Contd...)**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. in lacs)**

Sl. No		Particulars of Remuneration of Key Managerial Personnel	Total
1	CFO	V.Raghu Ram	17.06
2	Company Secretary	P.Prabhakara Rao	3.60

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority/RD NCLT.COURT	Appeal made if any (give details)
NIL	NIL	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

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

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

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

Category	Name of the Director(s)
Promoters: Executive Chairman & Managing Director	Mr. M.K.Patodia (DIN 00004752)
Addl. Directors: - Independent Directors	1) Mr. Ranganath M V(DIN.00200486) 2) Mr. Ashok Kumar TT (DIN.08927060)
- Independent Woman Director	Mrs. Sabari S Kambli (DIN 000039148)
Non-Executive Directors Non-Executive and Non-Independent Director	Mr.C.GeorgeJoseph (DIN 00309739)
Independent Director (Retired w.e.f.06-08-2024)	1) Mr. M.R.Vikram (DIN.00008241)
Independent Woman Director (Retired w.e.f. 06-08-2024)	2) Mr. Rajul Kothari (DIN. 06903721)

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

Name of the Director	Attendance Particulars	
	Board Meetings	Last AGM
Mr. M K Patodia	4	Yes
Mr. M.R.Vikram	5	Yes
Mr.C.George Joseph	4	No
Mrs. Rajul Kothari	5	Yes

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

Name of the Director	No. of other Directorships & Committee member	
	Directorships including Pvt. Ltd Cos	Committee Membership
Mr. M.K.Patodia	7	-
Mr. M.R.Vikram	19	2
Mr. C.George Joseph	2	3
Mrs.Rajul Kothari	1	3
Mr. Ranghnath M.V.	6	3
Mr. Ashok Kumar T.T.	-	2
Ms. Sabari S. Kambli	1	2

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

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

26th May, 2023

11th Aug, 2023

13th Oct, 2023

7th Nov, 2023

13th Feb, 2024

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

e) Independent Directors:

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

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

f) Independent Directors Meeting:

A separate meeting of Independent Directors was held on 13-02-2024 without attendance of Non-Independent Directors and members of the Management.

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

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

REPORT ON CORPORATE GOVERNANCE (Contd...)

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

ii. Composition, name of members and Chairman

Name of Committee	Chairperson/Members of the Committee(s)
AUDIT COMMITTEE	Shri M R Vikram - Chairman Smt. Rajul Kothari - Member Shri C. George Joseph - Member

iii. Meetings and attendance during the year 2023-24

Name of the Member		Meetings held on				No. of Meetings attended
	26-05-2023	11-08-2023	13-10-2023	07-11-2023	13-02-2024	
Mr. M.R Vikram	Attended	Attended	Attended	Attended	Attended	5
Mrs. Rajul Kothari	Attended	Attended	Attended	Attended	Attended	5
C. George Joseph	Attended	L A	Attended	Attended	Attended	4

iv. Internal Audit and Control:

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

v. Prevention of Insider Trading:

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

vi. Vigil Mechanism:

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

REPORT ON CORPORATE GOVERNANCE (Contd...)**4. Nomination & Remuneration Committee:****i. Brief description of terms of reference**

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

iii. Composition, name of members and Chairman

NOMINATION & REMUNERATION COMMITTEE	Smt. Rajul Kothari	- Chairman
	Shri M.R.Vikram	- Member
	Shri C. George Joseph	- Member

iv. Attendance during the year

Nomination & Remuneration Committee Meeting was held on 26th May, 2023

v. Remuneration policy

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

vi. Details of Remuneration to all the directors

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

Name of the Director	Amounts (in Rs.)
Mr. M.R.Vikram	75000
Mr.C.George Joseph	60000
Mrs. Rajul Kothari	75000

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

Smt. Rajul Kothari	Chairman
Shri C.George Joseph	Member
Shri M.K.Patodia	Member

ii. Stakeholders Relationship Committee Meeting was held on 26th May, 2023**iii. Name and designation of Compliance officer: Shri P. Prabhakara Rao, Company Secretary****iv. Number of Shareholders Complaints received so far : 0****v. Number not solved to the satisfaction of shareholders: Nil****vi. Number of pending complaints:Nil**

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

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

Year	Location	Nature of Meeting	Date	Day	Time
2020-21	Chitkul village, Patancheru Mandal, Medak Dist., Telangana State	AGM	28 th Sept, 21	Tuesday	10.30 A.M
2021-22	Plot No. 29, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082	POSTAL BALLOT	14 th Apr, 21	Wednesday	5.00 P.M
2021-22	Chitkul village, Patancheru Mandal, Medak Dist., Telangana State	AGM	29 th Sept, 22	Thursday	10.30 A.M
2022-23	Chitkul village, Patancheru Mandal, Medak Dist., Telangana State	AGM	29 th Sept, 23	Friday	10.30 A.M

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

7. Disclosures

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

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

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

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report existing/ probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person. The

REPORT ON CORPORATE GOVERNANCE (Contd...)

Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

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

v) Reconciliation of Share Capital:

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

vi) CEO/MD and CFO Certification:

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

vii) Compliance on Corporate Governance:

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

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

ix) No Disqualification Certificate from Company Secretary in Practice:

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

x) Statutory Auditors:

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

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

REPORT ON CORPORATE GOVERNANCE (Contd...)**8. Means of Communication :****Quarterly results**

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

i. Newspapers where in results normally published

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

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

iii. Whether it also displays official news releases: Yes

iv. The presentation made to institutional investors or to the analysts: Nil

9. General Shareholders Information**i) AGM: Date, Time and Venue**

Date and time : 27th Day of Sept, 2024 at 10.30 A.M

Venue : Chitkul Village, Patancheru Mandal,
Sanga Reddy Dist-502307 T.S

ii) Financial Year : 2023-2024

iii) Date of Book closure : From: 23rd Sept, 2024 To 27th Sept, 2024
(Both days inclusive)

iv) Dividend payment date : No dividend recommended by the
Board for the year 2023-24.

v) Listing on Stock Exchanges at : BSE Limited (BSE)

vi) STOCK CODE

Scrip Code No. : BSE: 500170
Trading Symbol

REPORT ON CORPORATE GOVERNANCE (Contd...)**vii) Market price Data High, Low during each month in last financial year:**

Month & Year	BSE Ltd., (BSE)	
	Month's High Price	Month's Low Price
Apr-23	40.90	25.25
May-23	38.95	26.54
Jun-23	39.00	27.51
Jul-23	52.42	31.10
Aug-23	37.22	31.00
Sep-23	41.03	32.31
Oct-23	41.05	31.71
Nov-23	42.00	35.50
Dec-23	52.70	30.65
Jan-24	63.00	45.85
Feb-24	48.88	36.40
Mar-24	39.08	29.43

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

ix) Registrar and Transfer agents Integrated Registry Management Services Pvt.Ltd.,
2nd Floor, Kences Towers, No.1
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai – 600 017
Ph:044-28140801-03 Fax: 044-28142479
E mail: csdstd@integratedindia.in

x) Share Transfer System Presently, the share transfers which are received in physical form are processed and the Share Certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. As regards shares held in Electronic form, the credit being given as per guidelines/by-laws issued by SEBI and NSDL/CDSL.

SEBI notification dated 8th June, 2018 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The Shareholders who continue to hold shares and other types of securities of listed companies in physical form even after

REPORT ON CORPORATE GOVERNANCE (Contd...)

this date, will not be able to lodge the shares with company/its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs.

xi) Distribution of Shareholding as on 31st March, 2024

Sl. No.	No. of Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1	Upto 100	11934	77.52	399456	2.28
2	101 - 500	2267	14.73	618289	3.52
3	501-1000	583	3.79	473565	2.70
4	1001-10000	556	3.61	1508518	8.59
5	10001-100000	48	0.31	1155880	6.60
6	ABOVE 100000	6	0.04	13384670	76.31
	TOTAL	15394	100.00	17540378	100.00

xii) Dematerialization of Shares and liquidity

The Shares of the Company are compulsorily traded in DEMAT form by all categories of investors w.e.f 28th August, 2000. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scruples trading. As on 31st March, 2024, 98.69% Equity shares of the company were held in dematerialized form.

xiii) Plant location– Khurajgaon Village, SaonerTahsil, Nagpur District, Maharashtra, Pin-441112**xiv) Address for Correspondence**

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

The above report was adopted by Board of Directors at their meeting held on 6th Aug, 2024.

REPORT ON CORPORATE GOVERNANCE (Contd...)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

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

Place: Hyderabad
Date : 06-08-2024

Signature :
Name of the Company Secretary : V. Sidvilas
ACS No. 41836
COP No. 15578
UDIN : A041836F000860555

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

1. This certificate contains details of compliance of conditions of Corporate Governance by GTN INDUSTRIES LIMITED ('the Company') for the year ended 31st March, 2024 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), Standard on auditing specified under section 143(10) of the Companies Act, 2013 and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on Use

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

For Lodha & Co LLP.
ICAI FRN: 301051E/E300284
Chartered Accountants
R P Baradiya
Partner

Place: Mumbai
 Date : 06-08-2024

Membership No.: 044101
 UDIN:2404410BKCLXL2100

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE & DEVELOPMENTS:

The Textile Industry is one of the oldest Industry in the country and plays a pivotal role in the country's economy in terms of Industrial Production, Employment and foreign exchange earnings. The Textile Industry has achieved a good growth in last two decades in terms of installed spindles and yarn production and India's installed spindles were expanded to 55 million at the end of March, 2024 and much capacity not added during the year 2023-24. India is the second largest yarn production capacity in the world next to China. This could happen due to buoyant domestic and international demand, conducive Government Policies. Indian Textile sector contributes to over 2% to the country's Gross Domestic Product (GDP), accounting for 7% of Industrial Production, over 15% to the country's export and also employs about 4.5 crores workers directly. In addition, this industry provides indirect employment to large number of workforce and also helps to develop many related ancillaries which generates further employment. It is the second largest employment provider after the agricultural sector.

A National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs.1,480 crores. It is hoped that textile industry may perform.

COTTON SCENARIO:

Cotton is one of the most important cash crops and accounts for around 21% of the total global fibre production. In the raw material consumption basket of the Indian textile industry, the proportion of cotton is around 60%. The consumption of cotton is approximately 307 lakh bales (170 kg each) per year. India occupies first position in the world in cotton acreage with around 126.80 lakh hectares under cotton cultivation which is around 36% of the world area of 326.36 lakh hectares. Approximately 62% of India's Cotton is produced on rain-fed areas and 38% on irrigated lands. India has emerged one of the largest producers, consumers and exporters of cotton in the World.

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

MARKETING:

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

2. OPPORTUNITIES AND THREATS:

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

MANAGEMENT DISCUSSION & ANALYSIS (Contd...)

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

3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

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

4. OUTLOOK:

The Company continues to be an important player in the field of cotton yarn in medium and fine count segment yarns. There are good prospects for increasing exports of cotton yarn to Asian countries. The company is making all efforts to explore new markets apart from current markets. Further neighbouring countries facing crisis and unrest which will have impact on our economy.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

6. FINANCIAL AND OPERATIONAL PERFORMANCE:

Please refer Director's Report on performance review.

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

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

Resources Development. With utmost respect to human values, Company served its human resources with integrity through a variety of services by using appropriate training, motivation techniques and employee welfare activities etc. Industrial relations were cordial and satisfactory As on 31st March 2024, the Company has about 310 (including workers etc.) employees.

8. CAUTIONARY STATEMENT :

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
GTN Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GTN Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the afore said financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant 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.

Sr. No	Key Audit Matters	Auditor's response
1.	Power Subsidy Receivable Other current assets include power subsidy receivable of Rs. 384.19 lakhs as at 31st March, 2024 (Previous Year Rs. 384.19 lakhs) from the states of Telangana and Maharashtra as per the notifications issued by the aforesaid State Governments. The state-wise breakup of the power subsidy receivable is mentioned in the table below :	Audit Procedure performed: Our procedures for recognition and in response to the risk of timely recovery of the accruals in the financial statements, included the following: We have examined the eligibility criterion for the availment of power subsidy and obtained a list of year wise break- up of the receivables by the Company for all the financial years.

INDEPENDENT AUDITOR'S REPORT (Contd..)

State	Year	Amount (Lakhs)
Maharashtra	2018-19	85.41
Telangana	2019-20	298.78
		384.19

Management judgement is involved in assessing the accounting for subsidies and particularly in considering the probability of a subsidy being released and we have accordingly designated this as a focus area of the audit.

We had discussed the status of the assessment of subsidy receivable for all the financial years and the Management view on the expected time frame by which the subsidies will be released.

Additionally, we have considered the status of the previous assessments and the adjustments, if any, done by the respective concerned authorities.

Based on the procedures performed, those gave us a sufficient evidence to conclude that the subsidies have been accounted in terms of the notifications issued by various state governments.

Information other than the Financial Statements and Auditor's Report there on

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT (Contd..)**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

INDEPENDENT AUDITOR'S REPORT (Contd..)**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Ind AS) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 of the audited financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
 - iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, 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

INDEPENDENT AUDITOR'S REPORT (Contd..)

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 has paid the dividend on preference shares issued for the previous year in accordance with Section 123 of the Act. The Company has not proposed the payment of dividend on its Preference Shares for the current financial year.
- vi) Based on our examination which includes test checks, the Company has used accounting software's for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

R P Baradiya
Partner
Membership No.: 044101
UDIN: 24044101BKCLSJ8006

Place: Mumbai
Date : 28-05-2024

ANNEXURE A TO THE AUDITOR'S REPORT

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT DATED 28TH MAY, 2024 TO THE MEMBERS OF M/s. GTN INDUSTRIES LIMITED FOR THE YEAR ENDED 31st MARCH, 2024

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

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) All the Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the title in respect of self-constructed buildings, disclosed in the financial statements included under Plant, Property and Equipment are held in the name of the Company as at the balance sheet date.
 - d) The Company has not carried out revaluation of its property, plant and equipment during the year. Accordingly, reporting requirements of paragraph 3(i)(d) of the Order are not applicable to the Company.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii) a) According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure for such verification is appropriate. Inventory in-transit have been verified by the management with reference to the subsequent receipt of goods. The discrepancies noticed on verification between the physical stock and book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- b) As disclosed in Note 17 to the financial statements, the Company has been sanctioned working capital limits in excess of INR five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company during the year with such banks are broadly, in all material respects, in agreement with the books of accounts.
- iii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other party. Accordingly, the reporting requirements of clause 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, made investments, issued guarantees and security in terms of Section 185 and 186 of the Act. Accordingly, the reporting requirements of clause 3(iv) of the Order are not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- v) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company. Accordingly, reporting requirements of paragraph 3(v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we are not required to, and thus, have not made a detailed examination of the same to determine whether they are accurate and complete.
- vii)
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2024 for a period of more than six months from the date they became payable.
 - 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 statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix)
 - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans to banks. The Company does not have any loans from financial institutions and Government or dues to debenture holders.
 - b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
 - c) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not taken any term loans during the year and accordingly, the reporting requirements of paragraph 3(ix)(c) of the Order are not applicable to the Company.
 - d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. The Company does not have any subsidiaries or joint ventures.
 - f) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not raised any loans during the year on the pledge of securities held in its associates. The Company does not have any subsidiaries or joint ventures.

INDEPENDENT AUDITOR'S REPORT (Contd..)

- x) a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting requirements of paragraph 3(x)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and accordingly, the reporting requirements of paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no whistle blower complaints have been received during the year by the Company.
- xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Refer Note 38 to the financial statements.
- xiv) a) In our opinion, the Company has an internal audit system commensurate to the size of the Company and nature of its business.
- b) We have considered, the report of the internal auditors for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with them as per the provisions of Section 192 of the Act. Accordingly, reporting requirements under paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) a) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the reporting requirements of paragraph 3(xvi)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Core Investment Company (CIC) as defined in the regulations

INDEPENDENT AUDITOR'S REPORT (Contd..)

made by Reserve Bank of India. Accordingly, the reporting requirements of paragraph 3 (xvi) (c) of the Order are not applicable to the Company.

- d) According to the information and explanation given to us by the management and on the basis of our examination of the records of the Company, the Group has 1 CIC which is not required to be registered with the Reserve Bank of India.

xvii) The Company has incurred cash losses during the financial year. However, it has not incurred cash loss during the immediate preceding financial year.

xviii) There has been no resignation of statutory auditors of the Company during the year and accordingly, the reporting requirements of paragraph 3(xviii) of the Order are not applicable to the Company.

xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet, will get discharged by the Company as and when they fall due.

xx) According to the information and explanation given to us by the management and on the basis of our examination of the records of the Company, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, the reporting requirements of paragraph 3(xx) of the Order are not applicable to the Company.

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

R P Baradiya
Partner

Place: Mumbai
Date : 28-05-2024

Membership No.: 044101
UDIN: 24044101BKCLSJ8006

ANNEXURE B TO THE AUDITOR'S REPORT

ANNEXURE B REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF GTN INDUSTRIES LIMITED FOR THE YEAR ENDED 31st MARCH, 2024

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

We have audited the internal financial controls over financial reporting of **GTN Industries Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

ANNEXURE B TO THE AUDITOR'S REPORT

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

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

R P Baradiya
Partner

Place: Mumbai
Date : 28-05-2024

Membership No.: 044101
UDIN: 24044101BKCLSJ8006

BALANCE SHEET AS AT 31 ST MARCH, 2024			
(Rs. in lacs)			
Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
A. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	2	5,373.49	5,052.84
(b) Capital Work in Progress	3	26.35	553.01
(c) Income Tax Assets	4	87.73	52.90
(d) Other Non-Current Assets	5	610.43	886.57
TOTAL NON-CURRENT ASSETS (A)		6,098.00	6,545.32
2. CURRENT ASSETS			
(a) Inventories	6	3,963.69	4,399.02
(b) Financial Assets :			
(i) Trade Receivables	7	1,332.07	2,855.95
(ii) Cash and Cash Equivalents	8	1,128.50	293.21
(iii) Bank balances other than Cash and Cash Equivalents	9	700.95	160.51
(iv) Other Financial Assets	10	29.02	35.20
(c) Other Current assets	11	1,376.63	1,180.62
(d) Assets held for Sale		9.51	17.14
TOTAL CURRENT ASSETS (B)		8,540.37	8,941.65
TOTAL ASSETS (A+B)		14,638.37	15,486.97
B. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	12	1,754.96	1,754.96
(b) Other Equity	13	7,049.15	7,851.55
TOTAL EQUITY (A)		8,804.11	9,606.51
2. NON-CURRENT LIABILITIES			
(a) Financial Liabilities :			
Borrowings	14	1,887.91	1,941.93
(b) Deferred Tax Liabilities	15	757.66	950.86
(c) Provisions	16	-	19.22
TOTAL NON - CURRENT LIABILITIES (B)		2,645.57	2,912.01
3. CURRENT LIABILITIES			
(a) Financial Liabilities :			
(i) Borrowings	17	2,170.71	1,193.99
(ii) Trade Payables	18	-	-
Total outstanding dues of micro enterprises and small enterprises;		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		869.11	1,150.51
(iii) Other financial liabilities	19	31.97	483.65
(b) Provisions	20	2.90	13.07
(c) Other Current Liabilities	21	114.00	127.23
TOTAL CURRENT LIABILITIES (C)		3,188.69	2,968.45
TOTAL EQUITY AND LIABILITIES		14,638.37	15,486.97
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements	30-55		
As per our attached report of even date		For and on behalf of the Board	
For Lodha & Co LLP		V. RAGHU RAM	
Chartered Accountants		Chief Financial Officer	
FRN - 301051E/E300284		M.K. PATODIA	
R.P. BARADIYA		Chairman and Managing Director	
Patner		(DIN No. 00004752)	
M. No. 44101		M.R. VIKRAM	
Place: Mumbai		Independent Director	
Date : 28-05-2024		(DIN No. 00008241)	
		RAJUL KOTHARI	
		Independent Woman Director	
		(DIN No. 06903721)	
		P. PRABHAKARA RAO	
		Company Secretary &	
		Compliance Officer	
		(M.No. 08974)	
		Place: Hyderabad	
		Date : 28-05-2024	

GTN INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024			
(Rs. in lacs)			
Particulars	Note	For the year ended 31st March, 2024	For the year ended 31st March, 2023
I. Revenue from Operations	22	18,537.58	31,388.97
II. Other Income	23	142.75	216.13
III. TOTAL REVENUE (I + II)		18,680.33	31,605.10
IV. EXPENSES:			
Cost of Materials Consumed	24	12,148.13	17,256.61
Purchases of Stock-in-Trade	25	550.17	3,625.82
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	817.57	1,752.03
Employee Benefits Expense	27	1,518.85	1,559.22
Finance Costs	28	430.02	758.23
Depreciation and Amortization Expenses	2	370.36	357.09
Other Expenses	29	3,674.07	4,108.43
TOTAL EXPENSES		19,509.17	29,417.43
V. PROFIT/(LOSS) BEFORE TAX (V-VI)		(828.84)	2,187.67
VI. TAX EXPENSE			
Current Tax		-	(1,013.00)
Deferred Tax	30	196.59	381.25
VII. PROFIT / (LOSS) AFTER TAX (VII-VIII)		(632.25)	1,555.92
VIII. OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to Profit and Loss			
- Remeasurements of Defined Benefit Plans		14.01	1.00
- Income tax relating to above		(3.38)	(0.24)
IX. TOTAL COMPREHENSIVE INCOME		(621.62)	1,556.68
X. EARNINGS PER EQUITY SHARE OF FACE VALUE OF Rs. 10/- EACH			
Basic & Diluted (in Rs.)		(4.79)	8.87
Summary of significant accounting policies	1		
The accompanying notes form an integral part of the financial statements	30-55		
As per our attached report of even date For Lodha & Co LLP Chartered Accountants FRN - 301051E/E300284 R.P. BARADIYA Partner M. No. 44101 Place: Mumbai Date : 28-05-2024		For and on behalf of the Board V. RAGHU RAM Chief Financial Officer P. PRABHAKARA RAO Company Secretary & Compliance Officer (M.No. 08974) Place: Hyderabad Date : 28-05-2024	
		M.K. PATODIA Chairman and Managing Director (DIN No. 00004752) M.R. VIKRAM Independent Director (DIN No. 00008241) RAJUL KOTHARI Independent Woman Director (DIN No. 06903721)	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024		
(Rs. in lacs)		
Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT / (LOSS) BEFORE TAX	1,621.62	1,556.68
Adjustments for :		
Depreciation	370.36	357.09
Interest Expense	430.02	758.23
Loss/(Gain) on sale of Property, Plant and Equipment	16.45	(12.07)
Provision for Doubtful Debts	25.23	20.58
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	220.44	2,680.51
Adjustment for changes in Working Capital:		
(Increase)/decrease in Inventories	435.33	6,865.14
(Increase)/decrease in Trade receivables	1,498.65	1,767.35
(Increase)/decrease in Other bank balances	(540.44)	653.30
(Increase)/decrease in Other financial assets	6.18	429.43
(Increase)/decrease in Other assets	80.13	1,456.08
Increase/(decrease) in Trade payables	(281.41)	(3,233.99)
Increase/(decrease) in Other financial liabilities	(444.34)	290.62
Increase/(decrease) in Provisions	(29.39)	(2.49)
Increase/(decrease) in Other liabilities	(206.42)	(9,014.97)
CASH GENERATED FROM OPERATIONS	738.73	1,890.98
Tax paid (Net of refund)	(34.83)	46.56
NET CASH FLOW FROM OPERATING ACTIVITIES	703.90	1,937.54
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and Equipment	(173.17)	(828.58)
Proceeds from sale of Property, Plant and Equipment	-	5,554.10
NET CASH USED IN INVESTING ACTIVITIES	(173.17)	4,725.52
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from/of Long Term Borrowings	(54.02)	(3,465.99)
Redemption of Preference Share Capital	(180.78)	-
Proceeds/(Repayment) from/of Short Term Borrowings	976.72	(2,288.94)
Interest paid	(437.36)	(937.57)
NET CASH FROM FINANCING ACTIVITIES (C)	(304.56)	(6,692.50)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	835.29	(29.44)
CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	293.21	322.65
CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR	1,128.50	293.21
Summary of significant accounting policies	1	
The accompanying notes form an integral part of the financial statements	30-55	
As per our attached report of even date For Lodha & Co LLP Chartered Accountants FRN - 301051E/E300284 R.P. BARADIYA Partner M. No. 44101 Place: Mumbai Date : 28-05-2024 V. RAGHU RAM Chief Financial Officer P. PRABHAKARA RAO Company Secretary & Compliance Officer (M.No. 08974) Place: Hyderabad Date : 28-05-2024 For and on behalf of the Board M.K. PATODIA Chairman and Managing Director (DIN No. 00004752) M.R. VIKRAM Independent Director (DIN No. 00008241) RAJUL KOTHARI Independent Woman Director (DIN No. 06903721)		

GTN INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2022	1,754.96
Change in equity share capital	-
Balance as at March 31, 2023	1,754.96
Change in equity share capital	-
Balance as at March 31, 2024	1,754.96

(Rs. in lacs)

Particulars	Amalgamation Reserve	Securities Premium Reserve	Accumulated other Comprehensive income/ Actuarial gain / (Losses)	Capital Redemption Reserve	Retained earnings	Total
B. OTHER EQUITY						
Balance as at 31st March, 2022	621.49	1,112.08	(21.08)		4,582.38	6,294.87
Profit/(Loss) for the year					1,552.92	1,552.92
Property, Plant and Equipment reserve pertaining to sale of land and building (Net of Deferred Tax)	-	-	-		327.17	327.17
Profit on sale of Land and Building with respect to PPE reserve (Net of Deferred Tax)	-	-	-		(327.17)	(327.17)
<u>Other Comprehensive Income:</u>						
Remeasurement of post-employment benefit obligations (Net of Tax)			0.76		-	-
					-	0.76
Balance as at 31st March, 2023	621.49	1,112.08	(20.32)		6,138.30	7,851.55
Profit/(Loss) for the year					(632.25)	(632.25)
<u>Other Comprehensive Income:</u>						
Remeasurement of post-employment benefit obligations (Net of Tax)			10.63		-	-
					10.63	
On account of Redemption of Preference Shares				450.00		450.00
Reversal on Equity component of Preference shares on account of redemption					(180.78)	(180.78)
Transfer to Capital Redemption reserve					(450.00)	(450.00)
Balance as at 31st March, 2024	621.49	1,112.08	(9.69)	450.00	4,875.27	7,049.15

Summary of significant accounting policies

1

Other Notes

30-55

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

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

R.P. BARADIYA
Patner
M. No. 44101

Place : Mumbai
Date : 28-05-2024

V. RAGHU RAM
Chief Financial Officer

P. PRABHAKARA RAO
Company Secretary &
Compliance Officer
(M.No. 08974)

Place: Hyderabad
Date : 28-05-2024

For and on behalf of the Board

M.K. PATODIA
Chairman and Managing Director
(DIN No. 00004752)

M.R. VIKRAM
Independent Director
(DIN No. 00008241)

RAJUL KOTHARI
Independent Woman Director
(DIN No. 06903721)

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES****1.1 COMPANY OVERVIEW**

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

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

1.2 BASIS OF ACCOUNTING

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

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

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

1.3 USE OF ESTIMATES AND JUDGEMENTS

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

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

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

1.4 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**Property, Plant and Equipment**

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

Capital Work-in-progress

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**Depreciation/amortisation:**

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

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

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

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

1.5 IMPAIRMENT OF NON FINANCIAL ASSETS

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

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

1.6 REVENUE RECOGNITION

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

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

Variable Consideration

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

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)

or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

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

Sale of goods:

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

Other Income

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

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

1.7 GOVERNMENT GRANTS

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

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

1.8 INVENTORIES

Inventories includes Raw Material, Work-in-Progress, finished goods, Stores & spares, Consumables and Packing Materials and are valued at lower of cost and net realizable value.

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

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

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

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

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

Adequate allowance is made for obsolete and slow moving items.

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

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

Subsequent measurement

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

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

(a) Measured at amortised cost:

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

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

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

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

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

Equity Instruments:

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

Impairment

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

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

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

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

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

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

De-recognition

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

Financial Liabilities**Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

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

Subsequent measurement

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

Loans & Borrowings:

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

De-recognition

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

Derivative financial instruments

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

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

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

Cash flows hedge that qualify for the hedge accounting

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

Offsetting of financial instruments

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**1.10 FAIR VALUE MEASUREMENT:**

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

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

- 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.

1.11 EMPLOYEE BENEFITS

The Company provides following post-employment plans:

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

a) Defined-benefit plan:

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

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

b) Defined-contribution plan:

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

c) Other employee benefits:

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

1.12 LEASES

As a Lessee:

The Company's lease asset classes generally consist of leases for land and buildings. The Company assesses

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

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

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

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

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

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

The Company did not have any long-term leases, the adoption of this Standard did not have any impact on the loss for the quarter and year ended 31st March, 2024.

As a Lessor:

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

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024(Contd.,)

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

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

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

1.14 TAXES ON INCOME

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

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

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

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

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

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

1.15 PROVISIONS AND CONTINGENCIES

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

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

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

1.16 CASH AND CASH EQUIVALENTS

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

1.17 CASH FLOW STATEMENT

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

1.18 BORROWING COST

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

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

1.19 EARNINGS PER SHARE

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

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

1.20 SEGMENT REPORTING

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

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

1.21 RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

GTN INDUSTRIES LIMITED
NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024(Contd.,)

(Rs. in Lacs)							
2. Property, Plant & Equipment	Land Free hold	Buildings	Plant and Equipment	Furniture and Fixtures	Electrical Equipment	Vehicles	Total
Gross Carrying Amount							
Balance as at 31st March 2022	1,032.44	3,457.88	9,301.73	93.88	526.94	0.53	14,413.40
Additions	-	8.76	449.30	0.25	120.70	-	579.01
Deductions/ Adjustment	363.04	304.35	437.75	-	-	-	1,105.14
Balance as at 31st March 2023	669.40	3,162.29	9,313.28	94.13	647.64	0.53	13,887.27
Additions	-	31.23	667.75	-	4.86	-	703.84
Deductions/ Adjustment	-	-	156.75	10.64	10.55	-	177.94
Balance as at 31st March 2024	669.40	3,193.52	9,824.28	83.49	641.95	0.53	14,413.17
Accumulated Depreciation							
Balance as at 31st March 2022	-	1,769.58	6,706.97	65.95	469.62	0.52	9,012.64
Additions	-	102.94	245.97	2.05	5.90	-	356.86
Deductions/ Adjustment	-	113.82	421.25	-	-	-	535.07
Balance as at 31st March 2023	-	1,758.70	6,531.69	68.00	475.52	0.52	8,834.43
Additions	-	103.25	257.03	1.21	8.87	-	370.36
Deductions/ Adjustment	-	-	147.95	9.82	7.34	-	165.11
Balance as at 31st March 2024	-	1,861.95	6,640.77	59.39	477.05	0.52	9,039.68
Net carrying amount as at 31st March, 2023	669.40	1,403.59	2,781.59	26.13	172.12	0.01	5,052.84
Net carrying amount as at 31st March, 2024	669.40	1,331.57	3,183.51	24.10	164.90	0.01	5,373.49

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

3 CAPITAL WORK IN PROGRESS
(Rs. in Lacs)

Capital Work in Progress	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Buildings under construction	-	-
Plant and Equipment under installation	26.35	553.01
Total	26.35	553.01

Capital-Work-in Progress ageing schedule

Particulars	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Less than 1 year	26.35	552.63
1-2 years	-	0.38
2-3 years	-	-
More than 3 years	-	-
	26.35	553.01

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

		(Rs. in lacs)	
		As at 31 st March, 2024	As at 31 st March, 2023
4. NON-CURRENT ASSETS - INCOME TAX ASSETS			
Income Tax Deducted at source receivable		87.73	52.90
Total		87.73	52.90
5. NON-CURRENT ASSETS-OTHER NON-CURRENT ASSETS			
Capital Advances for Property, Plant and Equipment		148.17	180.39
Prepaid Expenses		7.06	5.49
Deposits		204.45	150.69
Balance with GST authorities		250.75	550.00
Total		610.43	886.57
6. CURRENT ASSETS - INVENTORIES*			
(Valued at lower of Cost and Net Realisable Value)			
Raw Materials		2,602.23	2,215.59
Finished Goods		908.46	1,661.34
Semi-finished goods		392.98	412.27
Waste Stock		32.51	77.91
Stores, Spares and Packing Materials		27.51	31.91
Total		3,963.69	4,399.02

*Refer Note 40 for details of Inventories pledged as security.

GTN INDUSTRIES LIMITED
NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024(Contd.,)

		(Rs. in lacs)	
		As at 31 st March, 2024	As at 31 st March, 2023
7. CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES*			
Trade Receivables considered good - Unsecured		1332.07	2855.95
Trade Receivables - Credit impaired		115.71	90.48
Less: Provision for Estimated Credit Loss		1447.78	2946.43
Total		115.71	90.48
		1332.07	2855.95
*Refer Note 40 for details of Trade receivables pledged as security			
Trade Receivables ageing schedule as at March 31, 2024			

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

Trade receivables ageing schedule as at March 31, 2023

(Rs. in lacs)

Particulars	Outstanding for following periods from the date of transaction					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	2,803.84	-	-	52.11	-	2,855.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	20.58	69.90	90.48
	2,803.84	-	-	72.69	69.90	2,946.43
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	20.58	69.90	90.48
	2,803.84	-	-	52.11	-	2,855.95

		(Rs. in lacs)	
8. CURRENT ASSETS - FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS		As at 31 st March, 2024	As at 31 st March, 2023
	Cash on Hand	1.44	31.43
	Balances with Banks - In Current Accounts	1127.06	261.78
	Total	1128.50	293.21
9. CURRENT ASSETS FINANCIAL ASSETS			
	OTHER BALANCES WITH BANKS		
	Margin Money Deposits with banks (under lien)#	700.95	160.51
	Total	700.95	160.51
10. CURRENT ASSETS-OTHER FINANCIAL ASSETS			
	Unsecured, Considered good		
	Advances to Employees	0.70	2.70
	Interest Accrued on Deposits	23.96	24.68
	Other Deposits	3.68	7.82
	Derivative Financial Assets	0.68	-
	Total	29.02	35.20

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

11. CURRENT ASSETS-OTHER CURRENT ASSETS	(Rs. in lacs)	
	As at 31 st March, 2024	As at 31 st March, 2023
Unsecured, Considered good		
Export Incentives Receivable	82.60	59.22
Power Subsidy receivable	384.19	384.19
Balance with GST authorities	754.55	411.03
Prepaid Expenses	63.76	66.82
Advance to Vendors	14.71	112.08
Other Receivables	76.82	147.28
Total	1,376.63	1,180.62

12. EQUITY - EQUITY SHARE CAPITAL	As at 31 st March, 2024		As at 31 st March, 2023	
	Numbers	Rs. in lacs	Numbers	Rs. in lacs
<u>Authorised</u>				
Equity Shares of Rs.10/- each	20000000	2000.00	20000000	2000.00
Redeemable Preference Shares of Rs.100/- each	6000000	6000.00	6000000	6000.00
<u>Issued, subscribed and paid-up</u>				
Equity Shares of Rs. 10 each	17558778	1755.88	17558778	1755.88
Less : Forfeited Shares				
Equity Shares of Rs.10/- each; Rs. 5/- paid up	18400	0.92	18400	0.92
Total	17540378	1754.96	17540378	1754.96

- (a) The Company has only one class of issued Equity Shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the Equity Shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- (b) The Company has only one class of Preference Shares, i.e., 0.01% Non-Convertible Redeemable Preference Shares ('NCRPS') having a par value of Rs. 100 per share. These preference shares have been recognised as Compound Financial Instruments in accordance with Ind-AS 109 - Financial Instruments. Accordingly, the liability component of the preference shares issued has been disclosed in Note 14- Non-Current Liabilities- Financial Liabilities-Borrowings.

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024(Contd.,)

c) The terms of issue of Preference Shares other than stated in (i) above, are as follows:

Particulars	Number	Amount (Rs. in lacs)	Redemption period from the date of issue
0.01% NCRPS of Rs. 100 each			
24.04.2013	200,000	200.00	
29.03.2014	50,000	50.00	
16.10.2014	300,000	300.00	
26.02.2015	500,000	500.00	
23.07.2015	200,000	200.00	
21.08.2015	300,000	300.00	
10.09.2015	100,000	100.00	
05.02.2016	300,000	300.00	
29.03.2016	300,000	300.00	
18.07.2016	100,000	100.00	
28.03.2017	100,000	100.00	
15.04.2017	150,000	150.00	
05.05.2017	115,000	115.00	
08.05.2017	135,000	135.00	
08.08.2017	500,000	500.00	
06.10.2017	100,000	100.00	
27.12.2017	200,000	200.00	
28.03.2018	500,000	500.00	

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

i) Equity Shares of Rs. 10 each

Shares at the beginning of the year
Add: Shares issued during the year
Shares outstanding at the end of the year

ii) 0.01% NCRPS of Rs. 100/- each

Shares at the beginning of the year
Add: Shares issued during the year
Less: Shares reedemed during the year
Shares outstanding at the end of the year

As at 31 st March, 2024		As at 31 st March, 2023	
Number	Rs. in lacs	Number	Rs. in lacs
17,540,378	1754.96	17,540,378	1754.96
-	-	-	-
17,540,378	1754.96	17,540,378	1754.96
4,600,000	4,600.00	4,600,000	4600.00
-	-	-	-
4,50,000	4,50.00	-	-
4,150,000	4,150.00	4,600,000	4600.00

GTN INDUSTRIES LIMITED
NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024(Contd.,)

	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
(e) The details of shareholders holding more than 5% shares:				
i) Equity Shares of Rs. 10/- each				
GTN Engineering (India) Limited	8,684,679	49.51%	8,684,679	49.51%
Mahendra Kumar Patodia	2,727,713	15.56%	2,727,713	15.56%
Mahendra Kumar Patodia (HUF)	1,112,104	6.34%	1,112,104	6.34%
ii) 0.01% Non - Cumulative Redeemable Preference Shares of Rs. 100/- each				
GTN Engineering (India) Limited	3,825,000	92.17%	4,275,000	92.93%
JEL Finance and Investments Limited	300,000	7.23%	300,000	6.52%

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

Name of the Shareholders	As at 31st March, 2024			As at 31st March, 2023		
	No. of Shares Shares	% of total	% Change during the year	No. of Shares Shares	% of total	% Change during the year
GTN Engineering (India) Limited	8,684,679	49.51%	-	8,684,679	49.51%	-
Mahendra Kumar Patodia	2,727,713	15.56%	-	2,727,713	15.56%	-
Mahendra Kumar Patodia (HUF)	1,112,104	6.34%	-	1,112,104	6.34%	-
Anjana Patodia	514,332	2.93%	-	514,332	2.93%	-
Total	13,038,828	74.34%	-	13,038,828	74.34%	-

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

	(Rs. in lacs)	
	As at 31 st March, 2024	As at 31 st March, 2023
13. OTHER EQUITY		
(a) Amalgamation Reserve		
As per last Balance Sheet	621.49	621.49
(b) Securities Premium		
As per last Balance Sheet	1,112.08	1,112.08
(c) Other Comprehensive Income		
As per last Balance Sheet	(20.32)	(21.08)
Add: Remeasurement of post-employment benefit obligations (Net of Tax)	10.63	0.76
Sub-Total	(9.69)	(20.32)
(d) Capital Redemption Reserve		
On account of Redemption of Preference Shares	450.00	-
(e) Retained Earnings		
As per last Balance Sheet	6,138.30	4,582.38
Add : Net Profit/(Loss) for the year	(632.25)	1,555.92
Less: Reversal of Equity Component of Pref Shares on account of redemption	(180.78)	-
Less: Transfer to Capital Redemption Reserve	(450.00)	-
Sub-Total	4,875.27	6,138.30
Total	7,049.15	7,851.55

Footnotes : Nature and purpose of reserves**Amalgamation Reserve:**

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

Securities Premium:

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

Retained Earnings:

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

	(Rs. in lacs)	
	As at 31 st March, 2024	As at 31 st March, 2023
14. NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS		
Unsecured		
Liability component of Compound Financial Instruments	1,887.91	1,941.93
Sub-Total	1,887.91	1,941.93
Total	1,887.91	1,941.93

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

		(Rs. in lacs)	
		As at 31 st March, 2024	As at 31 st March, 2023
15. DEFERRED TAX ASSETS/(LIABILITIES) (NET)@			
Deferred tax liabilities		891.34	982.68
Deferred tax assets		(133.67)	(31.83)
Total		757.66	950.86
@Refer Note 30			
16. NON-CURRENT LIABILITIES - PROVISIONS			
Provision for Employee Benefits			
Gratuity		-	19.22
Total		-	19.22
17. CURRENT LIABILITIES - FINANCIAL LIABILITIES BORROWINGS*			
Secured, repayable on demand			
Working Capital Loans from Banks (Interest rate 8.67% p.a., Previous Year 11.32% p.a.)		1,815.47	878.07
Unsecured, repayable on demand			
-from Bodies Corporate (Interest Rate - 10.50% p.a., Previous Year - 10.50% p.a.)		355.24	315.92
Total		2,170.71	1,193.99
*Refer Note 40 for security clause			
#The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are broadly, in all material respects, in agreement with the books of accounts.			
18. CURRENT LIABILITIES - FINANCIAL LIABILITIES TRADE PAYABLES@			
(i) Trade Payables - Related Parties *		-	38.59
(ii) Total outstanding dues of micro enterprises and small enterprises @		-	-
(iii) Total outstanding dues of creditors other than micro enterprises and small enterprises		869.11	1,111.92
Total		869.11	1,150.51
@ Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act) is based on the information available with the Company regarding the status of registration of such vendors under the said Act, and as per the intimation received from them on requests made by the Company.			
*Refer Note 38			

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

Trade Payables ageing schedule as at March 31, 2024

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

Trade Payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of transaction				
	1 Year	Less than 1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-
(iii) Others	1,121.13	18.99	10.39	-	1,150.51
(iv) Disputed dues - Others	-	-	-	-	-
Total	1,121.13	18.99	10.39	-	1,150.51

(Rs. in lacs)

19. CURRENT LIABILITIES - FINANCIAL LIABILITIES
OTHER FINANCIAL LIABILITIES

- (a) Interest accrued but not due
(b) Creditors for Property, Plant and Equipment

Total

As at 31 st March, 2024	As at 31 st March, 2023
31.97	39.31
-	444.34
31.97	483.65
2.90	13.07
2.90	13.07

20. CURRENT LIABILITIES-FINANCIAL
LIABILITIES-PROVISIONS

Provision for Employee Benefits#

Gratuity

Total

#Refer Note 34

GTN INDUSTRIES LIMITED

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

	(Rs. in lacs)	
	As at 31 st March, 2024	As at 31 st March, 2023
21. CURRENT LIABILITIES-OTHER CURRENT LIABILITIES		
(i) Advance from Customer	49.93	46.65
(ii) Statutory dues	64.07	80.58
Total	114.00	127.23
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
22. REVENUE FROM OPERATIONS		
Sale of Products		
(i) Manufactured Products	15,690.34	24,850.39
(ii) Traded Goods	564.56	3,918.79
Sub Total	16,254.90	28,769.18
Other operating income		
(i) Export Incentives	95.71	290.70
(ii) Waste Sales	2,186.97	2,329.09
Sub Total	2,282.68	2,619.79
Total	18,537.58	31,388.97
23. OTHER INCOME		
Interest Income	89.39	180.27
Rental Income	1.06	13.26
Insurance Claims received	5.77	4.95
Foreign Currency Exchange Fluctuation (Net)	34.58	(6.41)
Profit on sale of Property, Plant and Equipment (Net)	-	12.07
Miscellaneous Income	11.95	11.99
Total	142.75	216.13

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

		(Rs. in lacs)	
		For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
24. COST OF MATERIALS CONSUMED			
Opening Stock		2,215.59	7,300.52
Add: Purchases		12,534.77	12,171.68
Less: Closing Stock		2,602.23	2,215.59
Total		12,148.13	17,256.61
Particulars of Materials Consumed			
Cotton		12,148.13	17,256.61
Total		12,148.13	17,256.61
25. PURCHASES OF STOCK IN TRADE			
Cotton Yarn and Garments		550.17	3,625.82
Total		550.17	3,625.82
26. CHANGES IN INVENTORY			
Opening Stock:			
Finished Goods		1,661.34	3,045.95
Semi finished goods		412.27	811.14
Waste Stock		77.91	46.46
Total (a)		2,151.52	3,903.55
Closing Stock:			
Finished Goods		908.46	1,661.34
Semi finished goods		392.98	412.27
Waste Stock		32.51	77.91
Total (b)		1,333.95	2,151.52
Total (a-b)		817.57	1,752.03
27. EMPLOYEE BENEFITS EXPENSE			
Salaries, Wages and Bonus		1,404.68	1,426.33
Contributions to Provident and Other Funds		70.04	83.06
Workmen and Staff Welfare Expenses		44.13	49.83
Total		1,518.85	1,559.22
28. FINANCE COSTS			
Interest Expense on Borrowings		125.47	393.86
Interest Expenses on Compound financial instruments		214.64	201.30
Other Borrowing Costs		89.91	163.07
Total		430.02	758.23

GTN INDUSTRIES LIMITED
NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024(Contd.,)

			(Rs. in lacs)	
			For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
29. OTHER EXPENSES				
Consumption of Stores and Spare Parts			386.84	420.93
Consumption of Packing Material			251.96	266.47
Power and Fuel			1,498.31	1,432.68
Processing Charges			315.24	284.99
Other Manufacturing and Operating expenses			18.89	32.19
Repairs to Buildings			79.63	86.12
Repairs to Machinery			137.28	149.40
Rent			6.48	25.48
Insurance			53.42	56.50
Rates and Taxes			44.27	36.00
Advertisement			1.32	5.39
Commission to Selling Agents			225.87	345.45
Freight, Forwarding and Other Expenses			417.41	739.43
Legal and Professional Expenses			44.78	40.73
Donation*			50.00	28.33
Loss on Sale of PPE			16.45	-
Payment to Auditor #			5.21	4.83
Provision for Expected Credit Loss			25.23	20.58
Miscellaneous Expenses			95.48	132.93
Total			3,674.07	4,108.43
* Refer Note 52				
*Payments to Auditors:				
-for Statutory Audit			4.30	4.15
-for Tax Audit			0.20	0.20
-for Out of Pocket Expenses			0.71	0.48
Total			5.21	4.83

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

		(Rs. in Lacs)	
		2023-24	2022-23
30. INCOME TAXES			
a) Tax expense recognised in the statement of Profit and Loss:			
Current tax			
Current year		-	1,013.00
Total current tax		-	1,013.00
Deferred tax			
Deferred tax			
Depreciation		(89.08)	(556.89)
Origination and reversal of temporary difference and fair valuation of financial assets		(105.09)	175.75
MAT Credit Entitlement		-	-
Total deferred income tax expense/(credit)		(194.17)	(381.15)
Total income tax expense/(credit)		(194.17)	631.85
b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows :			
Enacted income tax rate in India		25.17	25.17
Profit before tax		(828.84)	2,187.67
Income tax as per above rate		(208.62)	550.64
Adjustments:			
Disallowances as per the Income Tax Act, 1961		14.45	131.88
On account of Ind AS adjustments		-	(50.67)
Income tax as per profit and loss statement		(194.17)	631.85

c) Deferred tax assets/(liabilities)

Property, Plant and Equipment
Unabsorbed losses as per Income Tax Act, 1961
Amount allowable on payment basis and others
Less: MAT Credit Entitlement
Total

As at 31st, March, 2022	(Credit)/charge in statement of Profit and Loss	As at 31st, March, 2023	(Credit)/charge in statement of Profit and Loss	As at 31st, March, 2024
(1,754.70)	(772.02)	(982.68)	(91.35)	(891.34)
395.42	395.42	-	(102.76)	102.76
27.41	(4.55)	31.96	1.05	30.91
-	-	-	-	-
(1,331.87)	(381.15)	(950.73)	(193.07)	(757.66)

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**31. FINANCIAL INSTRUMENTS**

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

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

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

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

The carrying amounts and fair values of financial instruments by category are as follows:

(Rs. in lacs)

a. Financial assets**As at 31st March, 2023**

Trade receivables

Cash & cash equivalents

Other bank balances

Other financial assets

Total

Note	At Cost	Instruments carried at fair value		Instruments carried at amortized cost	
		FVTPL	Carrying amount	Total carrying amount(A+B)	Total fair value
7	-		2,855.95	2,855.95	2,855.95
8	-	-	293.21	293.21	293.21
9	-	-	160.51	160.51	160.51
10	-	-	35.20	35.20	35.20
	-	-	3,344.87	3,344.87	3,344.87

As at 31st March, 2024

Trade receivables

Cash & cash equivalents

Other bank balances

Other financial assets

Total

7	-	-	1,332.07	1,332.07	1,332.07
8	-	-	1,128.50	1,128.50	1,128.50
9	-	-	700.95	700.95	700.95
10	-	-	29.02	29.02	29.02
	-	-	3,190.54	3,190.54	3,190.54

b. Financial liabilities**As at 31st March, 2023**

Borrowings

Deposits

Trade payables

Other financial liabilities

Total

As at 31st March, 2024

Borrowings

Deposits

Trade payables

Other financial liabilities

Total

Note	FVTPL	Instruments carried at fair value		Instruments carried at amortized cost	
		Total carrying amount and fair value	Carrying amount	Total carrying amount	Total fair value
14,17	1,941.93	1,941.93	1,193.99	3,135.92	3,135.92
	-	-	-	-	-
18	-	-	1,150.51	1,150.51	1,150.51
19	-	-	483.65	483.65	483.65
	1,941.93	1,941.93	2,828.15	4,770.08	4,770.08
14,17	1,887.91	1,887.91	2,170.71	4,058.62	4,058.62
	-	-	-	-	-
18	-	-	869.11	869.11	869.11
19	-	-	31.97	31.97	31.97
	1,887.91	1,887.91	3,071.79	4,959.70	4,959.70

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)**32. RISK MANAGEMENT - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

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

A. CREDIT RISK

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

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

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

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

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)

Provision for expected credit losses:

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

Expected credit loss for loans, security deposits and investments:

As at 31st March' 2024

(Rs. in lacs)

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

As at 31st March' 2023

(Rs. in lacs)

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	162.29	-	-	162.29
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	-	-	-	-

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

Expected credit loss for trade receivables under simplified approach

b. Reconciliation of loss allowance provision - Trade receivables

(Rs. in lacs)

Particulars	As at 31st March '24	As at 31st March '23
Opening provision	90.48	69.90
Additional provision made/reversal (Net)	25.23	20.58
Closing provisions	115.71	90.48

B. LIQUIDITY RISK

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

Financing arrangements

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

Particulars	As at 31st March 2024	As at 31st March 2023
Variable Borrowing - Cash Credit expires within 1 year	3,584.53	2,986.93

Contractual maturity patterns of borrowings

(Rs. in lacs)

Particulars	As at 31st March 2024		
	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	-	1,887.91	1,887.91
Short term borrowings	2,170.71	-	2,170.71
Total	2,170.71	1,887.91	4,058.62

Particulars	As at 31st March 2023		
	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	-	1,941.93	1,941.93
Short term borrowings	1,193.99	-	1,193.99
Total	1,193.99	1,941.93	3,135.92

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

Contractual maturity patterns of Financial Liabilities

(Rs. in lacs)

Particulars	As at 31st March 2024	As at 31st March 2023
	0-12 Months	0-12 Months
Trade Payable	869.11	1,150.51
Other Financial liabilities including derivative financial liabilities	31.97	483.65
Total	901.08	1,634.16

C. MARKET RISK- INTEREST RATE RISK

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

(Rs. in lacs)

Particulars	As at 31st March 2024	As at 31st March 2023
Borrowings bearing fixed rate of interest	355.24	315.92
Borrowings bearing variable rate of interest	1,815.47	878.07

Interest rate sensitivity

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

Particulars	2023-2024	2022-2023
50 bp increase- decrease in profits	9.08	4.39
50 bp decrease- Increase in profits	9.08	4.39

D. MARKET RISK- FOREIGN CURRENCY RISK.

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

Foreign Currency Exposure

Name of the Instrument	2023 - 2024		2022- 2023	
	Foreign Currency	INR	Foreign Currency	INR
Open Foreign Exchange Exposures - Receivable-USD	3.69	307.70	4.12	338.84
Open Foreign Exchange Exposures - Receivable-EUR	0.49	44.30	-	-
Open Foreign Exchange Exposures - Payable-USD	4.86	405.72	7.06	580.25
Open Foreign Exchange Exposures - Payable-EURO	-	-	1.29	109.36

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)**Foreign Currency Risk Sensitivity**

A change of 1% in Foreign currency would have following Impact on profit before tax:

Particulars	2023-2024		2022-2023	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	(0.98)	0.98	(2.42)	2.42
EURO	(0.44)	0.44	(1.15)	1.15
Increase / (decrease) in profit or loss	(1.42)	1.42	(3.57)	3.57

Derivative financial instruments

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

Name of the Instrument	2023-2024		2022-2023	
	Foreign Currency	INR	Foreign Currency	INR
Forward Sale-USD	4.72	346.60	-	-

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

E. COMMODITY RISK

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**33. CAPITAL RISK MANAGEMENT**

A The Company's objectives when managing capital are to

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

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

(Rs. in lacs)

Particulars	31 March, 2024	31 March, 2023
Total Debt	4,058.62	3,135.92
Total Equity	8,804.11	9,606.51
Debt to Equity Ratio	0.46	0.33

Net Debt Reconciliation

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Term Loans	Working Capital Loans	Term Loans	Working Capital Loans
Opening Net Debt	1,941.93	1,193.99	5,407.92	3,482.93
Proceeds from Borrowings	-	976.72	-	-
Repayment of Borrowings	(268.66)	-	(3,667.29)	(2,288.94)
Interest expense on Compound Financial instruments	214.64	-	201.30	-
Closing Net Debt	1,887.91	2,170.71	1,941.93	1,193.99

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**34. DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"**

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

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

A. Balance Sheet**(Rs. in lacs)**

Particulars	Defined benefit plans	
	As at 31st March, 2024	As at 31st March, 2023
Present value of plan liabilities	301.85	303.48
Fair value of plan assets	298.95	271.74
Asset/(Liability) recognised	2.90	31.74

B. Movements in plan assets and plan liabilities

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2022	464.81	433.48
Current service cost	19.34	-
Past service cost	-	-
Transfer in/(out) plan assets	(192.40)	(192.40)
Interest Cost/(Income)	28.45	27.21
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(8.58)
Actuarial (gain)/loss arising from changes in financial assumptions	(9.25)	-
Actuarial (gain)/loss arising from experience adjustments	(0.34)	-
Employer contributions	-	19.16
Benefit payments	(7.13)	(7.13)
As at 31st March 2023	303.48	271.74

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024(Contd.,)

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

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

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

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

The Plan assets have been invested in Insurance managed funds.

C. Statement of Profit and Loss

(Rs. in lacs)

Particulars	2023 - 2024	2022 - 2023
Employee Benefit Expenses:		
Current service cost	12.52	19.34
Interest cost/(income)	1.86	1.23
Total amount recognised in Statement of profit & loss	14.38	20.57
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(3.51)	8.58
Experience gains/(losses)	(10.51)	(9.59)
Total amount recognised in Other Comprehensive Income	(14.02)	(1.01)

D. Assumptions

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

The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2024	As at 1st March, 2023
Financial Assumptions		
Discount rate	7.20%	7.30%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	3.00%	3.00%

Demographic Assumptions

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**E. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(Rs. in lacs)

Impact on defined benefit obligation	As at 31st March, 2024		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(6.52)	6.79
Salary Escalation Rate	0.50%	5.27	(6.69)
Attrition Rate	0.50%	(0.94)	(2.35)
Impact on defined benefit obligation	As at 31st March, 2023		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(7.35)	7.68
Salary Escalation Rate	0.50%	(153.52)	(7.54)
Attrition Rate	0.50%	(160.57)	(162.11)

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

F. The defined benefit obligations shall mature as follows:

(Rs. in lacs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
0-4 years	0.47	0.67
4-10 years	7.82	8.97
10-15 years	8.50	8.24
More than 15 years	285.06	285.60

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

35. EARNINGS PER SHARE (EPS)

(Rs. in lacs)

Particulars	2023 - 2024	2022 - 2023
Profit after tax(PAT) available for equity shareholders (before exceptional items)	(632.25)	1,555.92
Profit after tax(PAT) available for equity shareholders (after exceptional items)	(632.25)	1,555.92
Weighted average number of equity Shares	17,540,378	17,540,378
Nominal value of equity Shares (In nos.)	10.00	10.00
Basic & diluted earning per share before exceptional items (in Rs.)	(4.79)	8.87
Basic & diluted earning per share after exceptional items (in Rs.)	(4.79)	8.87

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)

36. CONTINGENT LIABILITIES

Particulars	(Rs. in lacs)	
	2023 - 2024	2022 - 2023
Disputed other dues (Gram Panchayat Tax, FSA charges, Non-agricultural Tax, Sewerage Cess etc..)	69.59	69.59
Cross Subsidy charged by the Electricity Department	122.08	122.08

Notes:

The issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

37. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and are not provided for: Rs. 1240.60 lacs (Previous Year Rs. 1548.02 lacs); net of advances of Rs. 148.17 Lacs (Previous Year Rs. 180.36 lacs).

38. DISCLOSURE ON RELATED PARTY TRANSACTIONS

a) Names of related parties and description of relationship:

i) Associate and other related parties with whom transaction have been entered during the course of business:

GTN Engineering (India) Limited
 JEL Finance & Investment Limited
 M/s. Patcot Co.
 M/s. Perfect Cotton Co.
 M/s Megha Investments Private Limited
 M/s Modesty Finance & Investments Private Limited

ii) Key Managerial Personnel :

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

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)

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

Sl. No.	Nature of Transactions	Holding Company	Associates	Key Management Personnel
1.	Sales, Services and other income: GTN Engineering (India) Limited		1,007.10 (18,873.87)	
2.	Purchase of Goods and Services: GTN Engineering (India) Limited		970.83 (4,287.45)	
3	Interest on Unsecured Loans: M/s Megha Investments Private Limited		7.96 (7.31)	
4	Remuneration to Key Managerial Personnel: – Mr. M.K. Patodia – Mr. V. Raghuram – Mr. P. Prabhakara Rao			19.57 (19.10) 17.06 (16.84) 3.60 (3.60)
5	Unsecured Loans taken: M/s GTN Engineering (India) Limited		- (3,666.19)	

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)c) Outstanding balances as on 31st March, 2024:

(Rs. in lacs)

Sl. No.	Nature of Transactions	Holding Company	Associates	Key Management Personnel
1	Payables: Perfect Cotton Company		- (38.59)	
2	Receivables GTN Engineering (India) Limited		346.12 (2,025.10)	
3	Borrowings: Megha Investments Private Limited		86.79 (79.63)	
4	0.01% Non-Cumulative Redeemable Preference Shares: M/s GTN Engineering (India) Limited M/s JEL Finance & Investments Limited M/s Modesty Finance & Investments Private Limited		3,825.00 (4,275.00) 300.00 (300.00) 25.00 (25.00)	
5	Guarantees given by: Mr M.K. Patodia (Refer Note 40)			2,039.46 (1,412.90)

Notes:

- Figures in brackets relate to previous year.
- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year
- Terms and conditions for sales and purchases: All sale and purchase transactions with the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates with the related parties. For the year ended 31st March, 2024, the Company has not recorded any loss allowances for the transaction between the related parties.
- All the material transactions stated above with related parties are on arm's length basis.

- Based on the "Management Approach" as defined in Ind AS 108 – Operating Segments, the Company is engaged in the business of Textile Products and as such has only a Single Reportable Business Segment. The Company has all its production facilities and all other assets located in India. Sales to external customers comprise export sales of Rs. 7,095.84 lacs (Previous Year Rs. 12447.86 lacs) and local sales of Rs. 11441.74 lacs (Previous Year Rs. 18941.11 lacs).

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024 (Contd.,)**40. Assets provided as security**

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

(Rs. in lacs)		
Particulars	As at 31 March, 2024	As at 31 March, 2023
Current Assets		
Financial Assets		
Trade Receivables	1,332.07	2,855.95
Other Bank Balances	700.95	160.51
Non Financial Assets		
Inventories	3,963.69	4,399.02
Total Current Assets provided as security	5,996.71	7,415.48
Non Current Assets		
Property, Plant and Equipment	5,373.49	5,052.84
Total non-current assets provided as security	5,373.49	5,052.84
Total assets provided as security	11,370.20	12,468.32

Note:

1. Working Capital Loans are secured by a first charge by way of hypothecation of the current assets of the Company, both present and future and by way of first charge on fixed assets, ranking paripassu, inter-se among working capital banks. These Working Capital facilities are further guaranteed by Managing Director and also secured by pledge of Equity Shares to the extent of 51% of promoters' holding with voting rights ranking paripassu with Working Capital lenders.
41. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.
42. The title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
43. No Loans or Advances have been granted to promoters, directors, KMPs and the related parties during the year ended 31st March, 2024 and 31st March, 2023.
44. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
45. The Company has not been declared a wilful defaulter (as defined by RBI Circular) by Any bank or financial Institution or other lender.
46. The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)

47. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
48. The Company does not have any subsidiaries and hence, the provisions of clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.
49. The Company has not entered into scheme of arrangement during the year and previous year.
50. Utilisation of Borrowed funds and share premium:
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)

51. Ratios

Sl. No.	Ratio	Formula	Particulars		March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (if variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023		
a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Trade Receivable + Cash & Cash Equivalents + Loans + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liability	8,540.37	3,188.69	8,941.65	2,968.45	2.68	3.01	11%	
b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings	Equity= Equity + Reserve and Surplus	4,058.62	8,804.11	3,135.92	11,163.19	0.46	0.28	-64%	On account of increase in long term debt and current maturities of long term debt to losses during the year
c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	168.13	(304.56)	2,671.24	758.23	-0.55	3.52	116%	On account of lower operating income during the current year as compared to previous year there is a decrease in the Debt Service Coverage Ratio.
d)	Return on Equity Ratio	Profit after tax x 100 / Shareholder's Equity	Net Income= Net Profits after taxes	Shareholder's Equity	(632.25)	8,804.11	1,555.92	11,163.19	-0.07	0.14	152%	On account of losses during the current year as compared to previous year there is a decrease in the Return on Equity Ratio.
e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	19,079.15	4,181.36	28,665.61	4,399.02	4.56	6.52	30%	On account of decrease in cost of goods sold and on account of decrease in average inventory during the current year as compared to previous year there is a decrease in Inventory to Turnover Ratio.
f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sold	(Opening Trade Receivables + Closing Trade Receivable)/2	18,537.58	2,094.01	31,388.97	2,855.95	8.85	10.99	19%	On account of lower sales during the current year as compared to previous year there is a decrease in Trade Receivables to turnover Ratio.
g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	12,534.77	1,009.81	12,171.68	1,150.51	12.41	10.58	19%	
h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Revenue Working Capital= Average of Current assets - Current liabilities	18,537.58	5,662.44	31,388.97	5,973.20	3.27	5.25	38%	On account of decrease in revenue as compared to previous year
i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	(621.62)	18,080.33	1,556.68	31,611.51	-0.03	0.05	168%	On account of losses and decrease in sales during the year as compared to previous year.
j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	(398.82)	11,449.68	2,945.90	14,075.20	-0.03	0.21	117%	On account of losses during current year as compared to previous year
k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	(621.62)	8,804.11	1,556.68	11,163.19	-0.07	0.14	151%	On account of losses during current year as compared to previous year

NOTES ON INDAS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2024(Contd.,)

52. Corporate Social Responsibility

Particulars	As at March 31, 2024	As at March March 31, 2023
A) Gross Amount required to be spent as per Section 135 of the Act	46.14	28.33
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	46.14	28.33
B) Amount approved by the Board to be spent during the year	50.00	28.33
C) Amount spent during the year on		
(i) Construction/acquisition of an asset	-	
(ii) On purposes other than (i) above	50.00	28.33
D) Details related to amount spent/ unspent		
Contribution to Charitable Trust*	50.00	28.33
Spent on CSR activities	-	-
TOTAL	50.00	28.33

53. The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

54. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

55. Previous year's figures have been re-grouped/re-classified wherever required to conform to current year's classification. All figures of financials has been rounded to nearest lacs to rupees.

As per our attached report of even date

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

R.P. BARADIYA
Partner
M. No. 44101

Place : Mumbai
Date : 28-05-2024

V. RAGHU RAM
Chief Financial Officer

P. PRABHAKARA RAO
Company Secretary &
Compliance Officer
(M.No. 08974)

Place: Hyderabad
Date : 28-05-2024

For and on behalf of the Board

M.K. PATODIA
Chairman and Managing Director
(DIN No. 00004752)

M.R. VIKRAM
Independent Director
(DIN No. 00008241)

RAJUL KOTHARI
Independent Woman Director
(DIN No. 06903721)



GTN INDUSTRIES LIMITED

CIN NO. L18101TG1962PLC054323

Regd. Off : Chitkul Village, Patancheru Mandal, Sangareddy District - 502307, Telangana

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

Website : www.gtnindustries.com; Email : shareddept@gtnindustries.com Phone No(s) 040-43407777

62nd ANNUAL GENERAL MEETING

FORM MGT - 11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) :

Email ID :

Registered Address :

Folio No./DP ID-Client ID No.:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/we, being the member(s) of..... shares of the above named company, hereby appoint.

1) of..... having email IdSignature..... or failing him/her.....

2) of..... having email IdSignature..... or failing him/her.....

3) of..... Having email IdSignature..... or failing him/her.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company, to be held on the Friday 27th day of September, 2024 at 10.30 A.M. at Chitkul Village, Patancheru Mandal, Sanga Reddy District- 502307, Telangana State and at any adjournment thereof in respect of such resolution as are indicated below :

Sl.No.	Resolution(s)	For	Against
1.	To Consider and adopt Audited Financial Statement(s), Report of the Board of Directors and Auditors		
2.	To Approve Re- Appointment of Shri Mahendra Kumar Patodia (DIN:00004752) as a Chairman & Managing Director		
3.	To Appoint Shri Rangnath Venkata Mamidpudi (DIN:00200486) as an Independent Director		
4.	To Appoint Shri Ashok Kumar TiruvallurThattai (DIN:00200486) as an Independent Director		
5.	To Appoint Smt. Sabari S.Kambli (DIN:00039148) as an Independent Woman Director		
6.	To Approve Retirement of Shri M R Vikram (DIN: 00008241)and Smt. Rajul Kothari (DIN: 06903721) as Independent Director and Independent Woman Director respectively.		
7.	To Consider Re-appointment of Shri C. George Joseph (DIN No. 00309739) Director who retires by rotation and being eligible offer himself for re-appointment not withstanding that 2 nd Feb, 2025 he attains the age of 75 years.		
8.	To consider remuneration and out-of-pocket expenses as may be authorized by the Board payable to M/s. NSV Krishna Rao & Co., Cost Accountants, Hyderabad		

Signature of First Proxy Holder _____

Signature of Second Proxy Holder _____

Signature of Third Proxy Holder _____

Signed this Day of2024.

Notes :

- 1) This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3) A proxy need not be a member of the Company

Affix a
Rs. 1/-
Revenue
Stamp



GTN INDUSTRIES LIMITED

CIN NO. L18101TG1962PLC054323

Regd. Off : Chitkul Village, Patancheru Mandal, Sangareddy District - 502307, Telangana

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

Website : www.gtnindustries.com; Email : shareddept@gtnindustries.com Phone No(s) 040-43407777

ATTENDANCE SLIP

Folio No./DP ID-Client ID No.: _____ No. of Shares held _____

Name of the Member(s) :

Registered Address :

I, hereby record my presence at the 62nd ANNUAL GENERAL MEETING of GTN Industries Limited held on Friday 27th day of September, 2024 at 10.30 A.M. at Chitkul Village, Patancheru Mandal, Sangareddy District - 502307 Telangana

Notes :

Signature of Shareholder/Proxy

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are informed that no duplicate slips will be issued or the venue of the meeting and are requested to bring this slip for the meeting.



AN ISO 9001-2000 CERTIFIED COMPANY

Registered Office

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

Corporate Office

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