



Date:- 03/10/2025

BSE Ltd.  
Department of Corporate Services  
1st Floor, New Trading Ring,  
Rotunda Building  
P J Towers, Dalal Street,  
Fort Mumbai - 400001

Dear Sir,

**Sub: - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Annual Report for the financial year ended 31st March 2025 including Notice of the 47th Annual General Meeting.**

**Scrip Code: BSE 500451**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the Annual Report for the financial year ended 31st March 2025 including Notice of the 47th Annual General Meeting (AGM) of the Company to be held on Tuesday, 30th September 2025 at 01:00 P.M. at the registered office of the Company.

The Annual Report for the financial year ended 31st March 2025 and the Notice of the 47th AGM are being dispatched electronically to the members whose email IDs are registered with the Company/Depositories/Registrar & Share Transfer Agent.

The Notice of 47th AGM and the Annual Report for the financial year ended 31st March 2025 is also uploaded on the Company's website and can be accessed at [https://www.moderndenim.com/wp-content/uploads/2025/09/annualreport 2024-25.pdf](https://www.moderndenim.com/wp-content/uploads/2025/09/annualreport%2024-25.pdf)

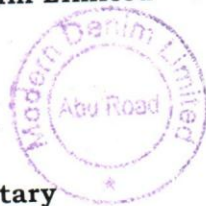
This is for your information and record, please.

Thanking you!

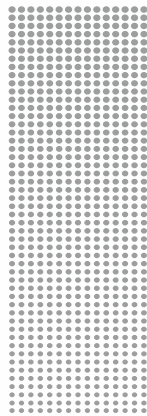
Yours Faithfully  
For **Modern Denim Limited**

DEEPAK  
KANTILAL  
JAIN

**Deepak Jain**  
**Company Secretary**  
**Mem No. A30074**



# **ANNUAL REPORT 2024 -2025**



**Modern**  
**DENIM LIMITED**

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**BOARD OF DIRECTORS**

|                    |                                |
|--------------------|--------------------------------|
| Shri Sachin Ranka  | – Chairman & Managing Director |
| Shri Suvrat Ranka  | – Whole-Time Director          |
| Shri K.M. Ladha    | – Non-Executive Director       |
| Shri G.V. Kalpathy | – Independent Director         |
| Smt. Meenu Sacheti | – Independent Director         |
| Shri Rahul Singhvi | – Independent Director         |

**CHIEF FINANCIAL OFFICER**

Shri Pankaj Sarda

**COMPANY SECRETARY**

Shri Deepak Jain

**AUDITORS**

M/s J.T. Shah & Co.  
Chartered Accountants,  
Ahmedabad - 380 009

**SECRETARIAL AUDITORS**

M/s. Jyoti Soni & Associates  
Practicing Company Secretaries,  
Jaipur - 302 002

**REGISTERED OFFICE**

Talheti, Village Karoli, Tehsil Abu Road  
Distt. Sirohi-307510 (Rajasthan)  
Phone : 02974-228377  
E-mail : denim.modern@gmail.com

**CORPORATE HEADQUARTER**

68/69, Godavari,  
Pochkhanwala Road,  
Worli, Mumbai - 400 030

**PLANT**

Village - Nidrad  
Taluka : Sanand - 382 110  
Distt. Ahmedabad (Gujarat)

Village - Moriya  
Distt. Ahmedabad (Gujarat) -380015


**Notice of the 47th Annual General Meeting**

NOTICE is hereby given that the 47th Annual General Meeting of the Members of **Modern Denim Limited** will be held on Tuesday, the 30th day of September 2025 at 1:00 P.M. at the Registered Office of the Company at Talheti, Village- Karoli, Tehsil Abu Road, Dist. Sirohi - 307510 to transact the following business:

**A. ORDINARY BUSINESS**

- (1) To receive, consider, and adopt the Audited Standalone Financial Statements of the Company for the year ended 31st March 2025 and the reports of the Board of Directors and Auditors thereon.
- (2) To appoint a director in place of Shri Suvrat Ranka (DIN: 08076235), who retires from office by rotation and being eligible, offers himself for re-appointment.

**B. SPECIAL BUSINESS**

- (3) **To revise the remuneration of Shri Suvrat Ranka (DIN: 08076235), Whole-Time Director of the Company, 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 197, 198 and Schedule V of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions of the Act and SEBI Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee, the approval of the Board of Directors be and is hereby accorded for the revision in the remuneration of Shri Suvrat Ranka (DIN: 08076235), Whole-Time Director of the Company with effect from 01st July, 2025, subject to the approval of the members at the ensuing Annual General Meeting, as under

**i. Basic Salary: -**

Rs. 2,16,550/- (Rupees Two Lakh Fifty Thousand) per month.

**ii. Perquisites and allowances: -**

- a) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
- b) Company's contribution towards National Pension System (NPS) as per Company's rules but not exceeding 14% of the basic salary.
- c) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
- d) Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad for self, spouse and dependents. Since this component being variable and uncapped, shall not form part

of fixed remuneration.

e) Free use of car with driver for Company's business.

f) Free Telephone facility at residence for Company's business.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby also authorized to revise the remuneration as they may deem fit and proper from time to time on recommendation Nomination & Remuneration Committee.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri Suvrat Ranka shall be governed by the limits specified in Schedule V of the Companies Act, 2013 and other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Company Secretary or any director of the Company be and are hereby severally authorized to do all such acts, deeds and things and to file necessary forms and documents with the Registrar of Companies and other statutory authorities, as may be required to give effect to this resolution.

- (4) **Appointment of M/s Jyoti Soni & Associates, Company Secretaries as Secretarial Auditor of the Company.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 179 & 204 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time, and based on the recommendations of the Audit Committee and the Board of Directors, the approval of the members be and is hereby accorded for the appointment of M/s Jyoti Soni & Associates, Company Secretaries, as Secretarial Auditors of the Company for a term of five consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30 at such remuneration and on such terms and conditions as may be determined by the Board of Directors (including its committees thereof, and to avail any other services, certificates, or reports as may be permissible under applicable laws.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, (including its committees thereof), be and is hereby authorized to do all such Acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.

**By the Order of the Board**

**Deepak Jain**

Company Secretary

Place : Abu Road

Date : 14<sup>th</sup> August 2025

**NOTES:**

1. The relevant Statement made pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Special Business to be transacted at the Annual General Meeting, set out in the Notice, is enclosed hereto and forms part of the Notice.
2. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 (as amended), the Company is pleased to provide its members the facility of "remote e-voting" (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by Central Depository Services (India) Limited ("CDSL").
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company. In terms of Section 105 of the Companies Act, 2013, a person can act

as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

4. The proxy form duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
5. Institutional / Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting. The said certified true copy of the Board resolution should be sent to the Scrutinizer by email through its registered email address to jyotisoni1804@gmail.com with a copy marked denim.modern@gmail.com.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  7. Only bona fide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
  8. Details of Directors retiring by rotation/seeking re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.
  9. The Share transfer books and Register of members shall remain closed from 24<sup>th</sup> September, 2025 to 30<sup>th</sup> September, 2025 (both days inclusive) in connection with the Annual General Meeting.
  10. Section 20 of the Companies Act, 2013 permits the service of documents on members by a company through electronic mode. So in accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report for the year 2024-25 is being sent through electronic mode to those members whose email addresses are registered with the Company/Depository Participant.
- In line with the General Circulars No. 20/2020 dated May 5, 2020, and No. 02/2021 dated January 13, 2021, issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Integrated Annual Report for the year 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories/RTA, unless any Member has requested for a physical copy of the same. The Notice of AGM and Annual Report for the year 2023-24 are available on the Company's website viz. [www.moderndenim.com](http://www.moderndenim.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
11. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH - 13. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Beetal in case the shares are held by them in physical form.
  12. Members holding shares in physical mode are requested to dematerialize their shares by surrendering their share certificates to their Depository Participants (DPs). Members are requested to quote ISIN: INE01N301019 of the Company for the dematerialization of the shares.
  13. Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code, IFSC code of the branch, type of account, and account number to our Registrar and Share Transfer Agent, Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062.
  14. Members who have not registered their email addresses so far are requested to register their e-mail IDs with M/s. Beetal Financial & Computer Services Pvt. Ltd, the Registrars & Share Transfer Agent of the Company, and Members holding shares in demat mode are requested to register their e-mail IDs with their respective DPs in case the same is still not registered.
  15. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
  16. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
  17. Non-resident Indian shareholders are requested to inform the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be,

immediately:

- a. The change in the residential status on return to India for permanent settlement.
- b. The particulars of the NRE account with a Bank in India, if not furnished earlier.
18. The Statutory Registers maintained under the provisions of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
19. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, etc. to the Registrar and Share Transfer Agent at the following address:  
Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, Behind LSC, New Delhi-110062
20. A Member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
21. A route map showing directions to reach the venue of the Annual General Meeting is given with the Annual Report.
22. **Voting**

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. 23<sup>rd</sup> September, 2025 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

**(I) Voting through Electronic means**

1. All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. 23<sup>rd</sup> September, 2025 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

**(I) Voting through Electronic means**

2. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company provides to Members the facility of exercising their right to cast vote(s) at the AGM by electronic means and the business may be transacted through e-voting services.
3. The facility for voting through Ballot/Poll Paper shall also be made available at the AGM and the members attending the meeting, who have not already cast their vote through remote e-voting, shall be able to exercise their right at the AGM.
4. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The remote e-voting period commences on Saturday, 27<sup>th</sup> September, 2025 (9:00 am) and ends on Monday, 29<sup>th</sup> September, 2025 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 23<sup>rd</sup> September, 2025 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
6. The Board of Directors of the Company has appointed Smt. Jyoti Soni, Practicing Company Secretary as Scrutinizer for scrutinizing the voting and remote e-voting process in a fair and transparent manner.
7. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website [www.moderninsulators.com](http://www.moderninsulators.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE Limited.
8. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 23<sup>rd</sup> September, 2025 may obtain the User ID and password in the manner as mentioned below.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on Saturday, 27th September, 2025 (9:00 am) and ends on Monday, 29th September, 2025 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder/s/retail shareholders is at a negligible level.

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

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

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

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> |

|  |  |
|--|--|
|  | <ol style="list-style-type: none"> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>  |
| Individual Shareholders holding securities in demat mode with NSDL                                     | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>   |

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

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

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058739 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30   |

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [compliance@moderninsulators.com](mailto:compliance@moderninsulators.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xvii) If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058739 and 022-23058542/43.
- (xviii) All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to or call on 022-23058542/43.

## ANNEXURE TO NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### **Item No. 3**

#### **To revise the remuneration of Shri Suvrat Ranka, Whole-Time Director**

The proposed resolutions for revision in remuneration of Shri Suvrat Ranka, Whole-Time Director (DIN: 08076235), are being proposed respectively at Item No. 3 of the Notice of AGM. All the requisite information related to the proposed resolutions for increase in remuneration of these Directors is being furnished here at one place for the ease of reference of shareholders and to avoid repetition of information.

The matters of revision of remuneration of the above Directors were considered by the Nomination & Remuneration Committee (NRC) and approved by the Board of Directors in their respective meetings held on Saturday, July 19th, 2025.

After due consideration, NRC recommended the revised remuneration of the above directors of the Company as provided in proposed resolutions.

Accepting the recommendation of the NRC, the Board of Directors also approved the proposed revised remuneration of Directors in their respective meetings held on July 19th, 2025, subject to approval by the Members of the Company in this AGM.

The details of the existing remuneration of all Directors are given in the Corporate Governance Report, and revised remuneration is given in the respective resolution in the Notice of the AGM.

### **Item No. 4**

#### **Appointment of M/s Jyoti Soni & Associates, Company Secretaries as Secretarial Auditor of the Company.**

The Board of Directors of the Company at its meeting held on August 14th, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of M/s Jyoti Soni & Associates, Company Secretaries (CP No. 19478) as Secretarial Auditors of the Company for a

term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members.

The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 179 & 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

M/s Jyoti Soni & Associates, Company Secretaries is a peer reviewed Company Secretaries proprietorship firm based in Jaipur and holds extensive professional experience in providing corporate and secretarial advisory services covering a wide spectrum of corporate laws, due diligence services, regulatory compliances, certifications and Secretarial Audits.

M/s Jyoti Soni & Associates has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations. The services to be rendered by M/s Jyoti Soni & Associates as Secretarial Auditors are within the purview of the said Regulation, read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31st, 2024.

The proposed fees for Secretarial Audit for Financial Year 2025-26 is Rs. 30,000/- (Thirty thousand Rupees) plus applicable taxes. For subsequent year(s) of their term, secretarial audit fees shall be mutually agreed with M/s Jyoti Soni & Associates and will be subject to approval by the Board on recommendation of the Audit Committee.

In addition to the secretarial audit, M/s Jyoti Soni & Associates shall provide such other services in the nature of certifications and other professional work on such terms and remuneration as approved by the Board of Directors. None of the Directors and Key Managerial Personnel and their relatives are, in any way, whether financially or otherwise, concerned or interested in the said resolution.

The Board of Directors recommends the passing of the Resolution as set out at Item No. 4 as an Ordinary Resolution.

### Details of Directors seeking re-appointment

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements)  
Regulations 2015 and Secretarial Standard – 2 on General Meetings]

|   |   |
|---|---|
| Name of Director  | Shri Suvrat Ranka   |
| Director Identification (DIN)   | 08076235  |
| Date of Birth   | 23/02/1991  |
| Date of first appointment   | 01/04/2018  |
| Expertise in specific functional areas  | Finance and Corporate Management  |
| Qualification   | Bachelor in Banking & Insurance and Master of Sciences in Innovation & Entrepreneurship |
| No. of shares held in the Company   | NIL   |
| Relationships between Directors and Key Managerial Personnel inter-se                   | Son of Chairman & Managing Director   |
| Terms and Conditions of Appointment   | Reappointment as an Whole Time Director for a period of 5 years                         |
| Directorships held in Companies on date of this AGM Notice                              | Nil   |
| Position held in mandatory Committees of other companies                                | Nil   |
| Details of Remuneration sought to be paid   | As approved by NRC and Board  |
| Number of meetings of the Board attended 4 out of 4 board meetings. during F.Y. 2024-25 | 7 out of 7 board meeting  |



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

### To The Members of Modern Denim Limited,

Your Directors are pleased to present the 47<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2025.

### FINANCIAL PERFORMANCE

(₹ in Crores)

| Particulars                                    | Year ended<br>31.03.2025 | Year ended<br>31.03.2024 |
|--|--------------------------|--------------------------|
| Revenue from Operations                        | 22.37                    | 25.03                    |
| Other income                                   | 0.67                     | 0.13                     |
| <b>Total revenue</b>                           | <b>23.04</b>             | <b>25.17</b>             |
| Profit before finance cost and depreciation    | 4.77                     | 4.88                     |
| Finance cost                                   | 0.02                     | 0.05                     |
| Depreciation                                   | 0.90                     | 0.91                     |
| <b>Profit before exceptional items and tax</b> | <b>(5.69)</b>            | <b>(5.34)</b>            |
| Exceptional Items                              | -                        | -                        |
| <b>Profit/(Loss) before tax</b>                | <b>(5.69)</b>            | <b>(0.34)</b>            |
| Tax expense                                    | -                        | -                        |
| <b>Profit/(Loss) after tax</b>                 | <b>(5.69)</b>            | <b>(0.34)</b>            |
| Other comprehensive income (Net of tax)        | 0.01                     | (0.02)                   |
| <b>Total comprehensive income</b>              | <b>(5.68)</b>            | <b>(5.36)</b>            |
| Retained earnings at the beginning of the year | (178.98)                 | (173.62)                 |
| Retained earnings at the end of the year       | (184.66)                 | (178.98)                 |

### OPERATIONS

During the Financial Year ended on 31<sup>st</sup> March, 2025, your company achieved a turnover of ₹ 22.37 Crores as against ₹ 25.03 Crores in the previous year. Because of the difficult business conditions prevailing in the domestic textile market, your Company has generated net loss of Rs. 5.69 Crores as against net loss of Rs. 5.34 Crores in the previous year. Your company has taken several remedial steps to meet the challenges viz. measures of saving in cost at all fronts of operation, optimize use of available resource etc. In view of accumulated losses, your Directors are unable to declare any dividend for the year under review.

There are no material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year and the date of this Report.

### EXPORTS

The exports of the Company during the year under review were Rs. 6.61 crores as compared to previous year of 3.86 crores despite continued recessionary business ambience in the global market. However, the Company is continuing its efforts to enhance presence of its products in overseas markets.

### ANALYSIS AND REVIEW

Your Company is engaged in the business of denim fabric manufacturing. The Company manufactures various types of denim fabrics including basic denim, stretch denim, ring, multi/mixed count denim, cross hatch, face & back denim & blended denim fabric. The Company's plant at Ahmedabad has a composite denim mill with an installed production capacity of 40 MMPA. Our experienced marketing and designing teams ensure that our

products meet the latest trends in the denim market.

In the recent past, denim markets across the world have witnessed a remarkable upswing in demand, primarily from the new generation. Further, people in rural areas of India are increasingly adopting denim as daily wear. The growing apparel market, increasing adoption of denim, and rising disposable incomes of the Indian population are expected to present humongous business opportunities to our Company.

### Industry Overview

Our business is gaining momentum in the domestic market and expects the growth to continue in the coming years, on account of changing dynamics of the Indian consumer base. We expect our Company to benefit substantially from the favourable drivers for the Indian denim industry as an increasing number of global denim manufacturers are looking at India as an emerging denim export region owing to its quality standards, cost-effectiveness, and a large pool of skilled workforce.

### Outlook, Opportunities, Threats, Risks and concerns

The demand for denim has been continuously rising in India and is expected to grow manifold in the coming years. India is being positioned as one of the leading manufacturers and exporters of denim, owing to its quality standards, cost-effectiveness, and a large pool of skilled workforce. Moreover, higher disposable income, the westernization of clothing culture, and the growing popularity of denim jeans as business casual wear are expected to drive future growth of the Denim Industry.

### SCHEME OF ARRANGEMENT FOR THE MERGER OF MODERN DENIM LIMITED INTO THE COMPANY

The Board of Directors of your Company had approved the merger/amalgamation of Modern Insulators Limited with the Company under the ambit of Board for Industrial & Financial Reconstruction (BIFR). Since, SICA stood repealed and BIFR stand dissolved in terms of Sick Industrial Companies (Special Provisions) Repeal Act, 2003 the Board of Directors has approved the scheme of compromise, arrangement and amalgamation of Modern Insulators Limited with the Company under the provisions of section 230-232 of the Companies Act, 2013.

The Scheme has been approved by the shareholders and creditors of the Company at their respective meetings held on 23<sup>rd</sup> July 2022. Thereafter Company has filed the Second Motion Petition for approval of the Scheme of arrangement for the merger of Modern Denim Limited into the company with the Hon'ble NCLT, Jaipur Bench.

The proposed merger remains under review by the Hon'ble NCLT, Jaipur Bench, with the next hearing scheduled for 16<sup>th</sup> October 2025. Although the proceedings have taken more time than anticipated, the Company is actively pursuing the matter, and the Board is confident that the approval required for completion of the merger will be obtained at the appropriate time.

### SHARE CAPITAL

The Authorized Share Capital of the Company stood at ₹ 60.00 crore. During the year under review, the Company has not altered/modified the authorized share capital of the Company. The paid-up Share Capital as at March 31, 2025 stood at ₹ 44.00 crore.

### FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2025, have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The

estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits, and cash flows for the year ended March 31, 2025. The Notes to the Financial Statements form an integral part of this Report.

Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses financial results on a quarterly basis which are subjected to limited review.

#### **DEPOSITS**

The Company has an unpaid amount of Fixed Deposits & Interest thereon outstanding as on 31st March, 2025, the details of which have been given in the Note No. 16 & 18 annexed with the financial statements. However, payments on compassionate grounds continue to be made as per the decision of the committee formed by the National Company Law Tribunal for this purpose.

The Company has not accepted any deposits during the year under review within the meaning of Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014.

#### **SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company does not have any Subsidiaries, Joint Ventures & Associate Companies during the year.

#### **CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, (SEBI (LODR) Regulations, 2015) a report on Corporate Governance along with a Certificate from the Company Secretary in Practice towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in **Annexure - A**.

The Executive Director and the Chief Financial Officer have certified to the Board with regard to financial statements and other matters as required under Regulation 17(8) read with Schedule II to the SEBI (LODR) Regulations, 2015.

#### **PARTICULAR OF LOANS, GUARANTEES, AND INVESTMENT BY THE COMPANY**

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and schedule V of SEBI (LODR) Regulations, 2015, disclosures on particulars relating to loans, advances, and investments are provided as part of the financial statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act, read with the rules issued thereunder.

#### **ANNUAL RETURN**

Pursuant to Section 134(3) (a) of the Act, the draft annual return as on March 31, 2024, prepared in accordance with Section 92(3) of the Act is made available on the website of the Company and can be assessed using the link <http://www.moderndenim.com/investors/fininformation.html>.

#### **DIRECTORS**

During the year under review, the directors of the Company are as under:

- 1) Shri Sachin Ranka, Chairman & Managing Director,
- 2) Shri Suvrat Ranka, Whole-time Director,
- 3) Shri Rahul Singhvi, Independent Director

4) Shri Ganpathy Vishwanathan Kalpathy, Independent Director

5) Smt. Meenu Sacheti, Independent Director

6) Shri K.M. Ladha, Non-Executive Director.

#### **KEY MANAGERIAL PERSONNEL**

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following person have been designated as Key Managerial Personnel (KMP) of the Company:

- Shri Sachin Ranka, Chairman & Managing Director,
- Shri Suvrat Ranka, Whole Time Director,
- Shri Pankaj Kumar Sarda, Chief Financial Officer
- Shri Deepak Kantilal Jain, Company Secretary & Compliance Officer

The appointment and remuneration of Directors and KMPs are as per policy of the Company.

#### **DECLARATION OF INDEPENDENCE**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

The Ministry of Corporate Affairs ('MCA') vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA.

In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise, proficiency and qualifications.

#### **ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and effectiveness. Pursuant to the provisions of the Act and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-executive Directors, Executive Director and the Chairman of the Board

The Nomination and Remuneration Committee ('NRC') of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-executive Directors/ Executive Director and the Chairman of your Company.

The performance of Non-independent Directors, the Board, as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Director and Non-executive Directors. Evaluation as done by the Independent Directors was submitted to the NRC and subsequently to the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. Thereafter, the Board at its meeting discussed the performance of the Board, as a whole,

its Committees and Individual Directors. The Board expressed satisfaction on the overall functioning of the Board and its Committees. The Board was also satisfied with the contribution of the Directors, in their respective capacities, which reflected the overall engagement of the Individual Directors.

#### **MEETING OF THE BOARD**

During the year 2024-25, Seven Board Meetings were held, on 30th May, 2024, 10th August, 2024, 14th August, 2024, 21st October, 2024, 13th November, 2024, 13th February, 2025, 22nd March, 2025. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

#### **INDEPENDENT DIRECTORS' MEETING**

The Independent Directors met on 13th February, 2025, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2024-25.

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) read with section 134 (5) of the Companies Act, 2013:

- (a) in the preparation of the Annual Accounts for the year ended 31st March, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) they have prepared the annual accounts on a going-concern basis;
- (e) they 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) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

M/s J.T. Shah & Co., Chartered Accountants, Ahmedabad (ICAI Firm Registration No. 109616W), were appointed as the Statutory Auditors of the Company for a period of five consecutive years at the 37th Annual General Meeting (AGM) of the Members held on 3rd September, 2022, to hold office from the conclusion of the said AGM until the conclusion of the 49th AGM of the Company. Their remuneration is being determined by the Board of Directors in consultation with the Statutory Auditors. The Board has carefully reviewed the Auditors' Report for the financial year under review. The observations and remarks made therein, read together with the relevant notes to the financial statements, are self-explanatory and do not require any further comments under Section 134 of the Companies Act, 2013. The Statutory Auditors have not reported any instance of fraud by the Company or on the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

##### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Jyoti Soni & Associates, Company Secretaries, Jaipur to conduct the secretarial audit for the financial year 2024-25. The Secretarial Audit Report, issued by M/s Jyoti Soni & Associates, Company Secretaries for the financial year 2024-25, forms part of this Report, and is set out in **Annexure 'B'** to this Report. The observations in the Secretarial Audit Report pertain mainly to listing agreement requirements, stock exchange compliances, etc. It is clarified that the company has started all the compliances related to the stock exchange and is in the process of revocation of its suspension from BSE Limited.

##### **Internal Auditors**

In accordance with the provisions of Section 138 of the Companies Act, 2013 ("the Act"), the Board of Directors has appointed M/s Pramod & Associates, Chartered Accountants, as the Internal Auditor of the Company. The Internal Auditor independently reviews and evaluates the adequacy and effectiveness of the Company's internal control systems, risk management practices, and governance processes. The scope of the Internal Audit includes a comprehensive examination of business operations, financial transactions, statutory compliances, and adherence to policies and procedures, with the objective of strengthening operational efficiency and safeguarding the Company's assets. The Internal Audit Reports, along with significant observations, findings, and recommendations, are placed before the Audit Committee on a quarterly basis. The Audit Committee reviews these reports in detail and monitors the corrective actions taken by the management in response to the audit observations. This structured process ensures that appropriate risk-mitigation measures are implemented and that the internal control framework of the Company remains robust and effective.

#### **NOMINATION AND REMUNERATION POLICY**

The Board of Directors has framed a policy that lays down a framework in relation to the remuneration of Directors, Key Managerial Personnel, and

Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy, and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management, and other employees. The policy also provides the criteria for determining qualifications, positive attributes, and Independence of the Director and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at [www.moderndenim.com](http://www.moderndenim.com)

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism for reporting concerns through the Whistle Blower Policy of the Company, which is in compliance with the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and SEBI (LODR), Regulations, 2015. The Policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization, or any other unfair practice being adopted against them. Adequate safeguards are provided against victimization to those who avail of the mechanism, and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The details of the Vigil Mechanism are also provided in the Corporate Governance Report and the Whistle Blower Policy has been uploaded on the website of the Company, [www.moderndenim.com](http://www.moderndenim.com).

#### **RISK MANAGEMENT**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanisms of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s Pramod & Associates, Chartered Accountants, a firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and

corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

#### **ENVIRONMENT, HEALTH AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of operations in such a manner so as to ensure the safety of all concerned, compliance with environmental regulations, and preservation of natural resources.

#### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition, and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary, or contractual are covered under the above policy. The said policy has been uploaded on the website of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, the company has not received any complaints.

#### **PARTICULAR OF EMPLOYEES**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in inspecting the same, such a member may write to the Company Secretary in advance.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company takes pride in the commitment, competence, and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade the skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing, and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

#### **MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Except as disclosed elsewhere in this Report, no material changes and commitments that could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this Report.

#### **THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR**

One of the creditors of the Company has filed an application under the

Insolvency and Bankruptcy Code, 2016 (31 of 2016), which is pending before the Hon'ble NCLT, Jaipur Bench. The next date is fixed on 27.08.2025 for the hearing.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF DURING THE FINANCIAL YEAR**

**INSURANCE**

Your Company has taken appropriate insurance for all assets against foreseeable perils.

**LISTING OF SHARES**

The shares of the Company are listed at BSE Limited but trading of the shares is suspended. The Company has filed an application to BSE for Revocation of suspension of trading in equity shares of the Company and the same is under consideration.

**SECRETARIAL STANDARDS**

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

**CAUTIONARY STATEMENT**

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the

Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future.

**APPRECIATION**

Your Directors express their deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments and all regulatory bodies for their co-operation and support and look forward to their continued support in the future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

**For and on behalf of the Board of Directors**

**Sachin Ranka**

Chairman & Managing Director

DIN: 00335534

Place : Abu Road

Date : 14th August, 2025

## Annexure A to Boards' Report Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2025, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

### **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Good Corporate Governance is the adoption of best business practices that ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability, ethical behavior, transparency, and fairness to all stakeholders. The Company believes in practicing good Corporate Governance and endeavors to improve on these aspects on an ongoing basis. The philosophy on corporate governance is an important tool for shareholder protection and maximization of their long-term values.

Your Company is in compliance with the requirements stipulated under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, with the Stock Exchanges ("Listing Regulations") with regards to corporate governance.

### **BOARD OF DIRECTORS**

#### **Composition of Board of Directors**

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial, and Marketing background. The Company is managed by the Board of Directors in coordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time to ensure that it remains aligned with statutory as well as business requirements.

As on March 31, 2025, the Company's Board consists of six Directors. The Board comprises of Two Executive Promoter Director, one Non-Executive Director, and Three Independent Directors including one Woman Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 and the Listing Regulations. The Directors are professionals and have expertise in their respective functional areas.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

| Sr. No. | Name of Directors                   | Expertise in Specific Functional Areas                                |
|---------|-------------------------------------|---|
| 1.      | Shri Sachin Ranka                   | Industrialist, Business Strategy, Corporate Management and Leadership |
| 2.      | Shri Suvrat Ranka                   | Business Strategy, Sales and Marketing and Business Management        |
| 3.      | Shri Rahul Singhvi                  | Capital Markets, Wealth Management, Fundraising                       |
| 4.      | Shri K.M. Ladha                     | Finance, Corporate Planning and Strategy, Sales & Marketing           |
| 5.      | Shri Ganpathy Vishwanathan Kalpathy | Management and Administration   |
| 6.      | Smt. Meenu Sacheti                  | Management and Administration   |

The Composition of the Board and directorship held, as on 31st March, 2025 are as follows:

| Name of Directors                      | Executive/<br>Non-Executive/<br>Independent | No. of<br>Equity<br>Shares<br>held | Directorships in<br>other Public<br>Limited<br>Companies | Membership in<br>Committees of other<br>Companies |        | List of Directorship held<br>in other Listed Companies<br>and Category of<br>Directorship |
|--|---|------------------------------------|--|---|--------|---|
|  |   |                                    |  | Chairman  | Member |   |
| Shri Sachin Ranka                      | Promoter/ Chairman<br>& Managing Director   | 3400                               | 1  | –   | –      | Modern Insulators Limited<br>(Chairman & Managing Director)                               |
| Shri Suvrat Ranka                      | Executive<br>Director                       | –                                  | –  | –   | –      | –   |
| Shri K.M. Ladha                        | Non-Executive<br>Director                   | –                                  | 1  | –   | –      | –   |
| Shri Rahul Singhvi                     | Independent Director                        | –                                  | 1  | –   | –      | Modern Insulators Limited<br>(Independent Director)                                       |
| Shri Ganpathy<br>Vishwanathan Kalpathy | Independent Director                        | –                                  | 1  | –   | –      | Modern Insulators Limited<br>(Independent Director)                                       |
| Smt. Meenu Sacheti                     | Independent Director                        | –                                  | 1  | –   | –      | Modern Insulators Limited<br>(Independent Director)                                       |

1. Shri Sachin Ranka and Shri Suvrat Ranka are related to each other. None of the other Directors are related inter-se.

2. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.

3. Membership in Committees includes only Audit Committee and Stakeholders' Relationship Committee

### **Independent Directors confirmation by the Board**

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 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. They have also given a declaration under Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the databank as maintained by the Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors, if applicable, are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) year from the date of inclusion of their names in the data bank or such time as amended by the Central Government.

### **Board Meetings and Annual General Meeting (AGM)**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year 2024-25 the Board of Directors met Seven times i.e., on 30th May, 2024, 10th August, 2024, 14th August, 2024, 21st October, 2024, 13th November, 2024, 13th February, 2025, 22nd March, 2025. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

### **Attendance of Directors at the Board Meetings and last Annual General Meeting (AGM)**

| Name of Directors  | Attendance of AGM held on 30th Sept., 2024 | Date of Board Meeting |                  |                  |                  |                  |                  |                  |
|--------------------|--|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                    |  | 30th May, 2024        | 10th Aug., 2024  | 14th Aug. 2024   | 21st Oct., 2024  | 13th Nov., 2024  | 13th Feb., 2025  | 22nd Mar., 2025  |
| Shri Sachin Ranka  | Leave of Absence                           | √                     | √                | √                | √                | √                | √                | √                |
| Shri Suvrat Ranka  | Leave of Absence                           | √                     | √                | √                | √                | √                | √                | √                |
| Shri Rahul Singhvi | √  | √                     | √                | √                | √                | Leave of Absence | √                | Leave of Absence |
| Shri G.V. Kalpathy | Leave of Absence                           |                       | Leave of Absence | Leave of Absence | Leave of Absence | √                | √                | √                |
| Smt. Meenu Sacheti | Leave of Absence                           | √                     | √                | Leave of Absence | Leave of Absence | Leave of Absence | Leave of Absence | Leave of Absence |
| Shri K. M. Ladha   | Leave of Absence                           | √                     | √                | √                | √                | √                | √                | √                |

### **Meetings of Independent Directors**

A separate meeting of Independent Directors of the Company was held on 13th February, 2025, without the presence of Non-Independent Directors and members of the management, to discuss the matters as required under Schedule IV of the Act and the Listing Regulations. The meeting was attended by all the Independent Directors.

### **Code of Conduct**

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

### **Familiarization programme for Independent Director**

Your Company conducts an introductory familiarization program, inter alia covering the nature of the industry in which the Company operates, business model of the Company, etc., when a new Independent Director joins the Board of the Company. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board/Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of the familiarization program for Directors have been disclosed on the Company's website, [www.moderndenim.com](http://www.moderndenim.com).

### **Performance evaluation**

A formal Evaluation Framework for the evaluation of the Board's performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board, in terms of the requirement of the Act and the Listing Regulations, is in place. In terms of the Evaluation Framework, the Board has carried out the annual performance evaluation of its own performance, the directors individually and the working of its Committees. Criteria for evaluation inter alia include providing strategic perspective, Chairmanship of the Board and its Committees, attendance and preparedness for the meetings, contribution at the meetings and role of the Committees.

### **Insider Trading Code**

The Company has adopted a Policy for prohibition of Insider Trading for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. This Policy is displayed on the Company's website viz. [www.moderndenim.com](http://www.moderndenim.com)

#### **COMMITTEES OF THE BOARD**

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board has Three Committees namely Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee.

#### **Audit Committee**

Your Company has a qualified and independent Audit Committee. The Committee is governed in line with the regulatory requirements mandated by Companies Act, 2013 and Regulation 18 of the SEBI (LODR), Regulations, 2015. The Audit Committee acts as a link between the management, the statutory and internal auditors, and the Board of Directors. The Audit Committee is provided with the necessary assistance and information so as to enable it to carry out its function effectively.

As on 31st March, 2025, the Audit Committee comprises of two Independent Directors and one Non-Executive Director. Shri Rahul Singhvi is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations.

During the year under review, 6 Audit Committee Meetings were held, on 30th May, 2024, 10th August, 2024, 14th August, 2024, 13th November, 2024, 13th February, 2025, 22nd March, 2025. The composition of the Audit Committee and the details of the meetings attended by the Members are given below:

| Name of the Member                  | Position | Category      | Number of Meetings |          |
|-------------------------------------|----------|---------------|--------------------|----------|
|                                     |          |               | Held               | Attended |
| Shri Rahul Singhvi                  | Chairman | Independent   | 6                  | 6        |
| Shri K.M. Ladha                     | Member   | Non-Executive | 6                  | 6        |
| Shri Ganpathy Vishwanathan Kalpathy | Member   | Independent   | 6                  | 1        |

1. The Chairman of the Audit Committee was present at the last AGM of the Company held on 30th September, 2024.

#### **Brief description of terms of reference**

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend appointment, remuneration, and terms of appointment of the auditors.
3. To approve payment to Statutory Auditors for any other services rendered by them.
4. To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. To review with the management, the quarterly financial statements before submission to the board for approval.
6. To review and monitor the auditor's independence, performance and effectiveness of the audit process.
7. To approve any subsequent modification of transactions of the Company with related parties.
8. To scrutinize inter-corporate loans and investments.
9. To evaluate internal financial controls and risk management systems.
10. To review with the management, performance of statutory and internal auditors and the adequacy of the internal control systems.
11. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
12. To discuss with internal auditors of any significant findings and follow up thereon.
13. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the board.
14. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
16. To review the Whistle Blower mechanism.
17. To approve appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
18. Authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
19. The Auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.
20. To review the utilization of loans and/ or advances/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

**The Audit Committee shall mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. management letters/letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor; and
6. statement of deviations:
  - a. Quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations;
  - b. Annual statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.

**Nomination and Remuneration Committee**

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

The purpose of the committee is to screen and review individuals qualified to serve as executive director, non-executive directors and key managerial personnel and independent directors, consistent with the criteria approved by the board and to recommend for approval by the board, nominees for election at the AGM.

As on 31st March, 2025 the Nomination and Remuneration Committee (NRC) comprises of 2 Non-Executive Independent Directors and 1 Non-Executive non-Independent Director. During the year under review, 3 NRC Meetings were held on 14th August, 2024, 21st October, 2024 and 22nd March, 2025.

The composition of the NRC and the details of the meetings attended by the Members are given below:

| Name of the Member                  | Position | Category      | Number of Meetings |          |
|-------------------------------------|----------|---------------|--------------------|----------|
|                                     |          |               | Held               | Attended |
| Shri Rahul Singhvi                  | Chairman | Independent   | 3                  | 2        |
| Shri K.M. Ladha                     | Member   | Non-Executive | 3                  | 3        |
| Shri Ganpathy Vishwanathan Kalpathy | Member   | Independent   | 3                  | 1        |

1. The Chairman of the Nomination & Remuneration Committee was present at the last AGM of the Company held on 30th September, 2024.

**Terms of Reference**

The broad terms of reference of the Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensures that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the company.
5. To consider and fix the remuneration package of non-executive and executive Directors including pension rights and any compensation payment.
6. All elements of remuneration package of Directors such as benefits, bonus, stock options, pension etc.
7. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

### Remuneration Policy

The Company has formulated and adopted Executive Remuneration Policy of Directors, Key Managerial Personnel and other Senior Management of the Company and the same is disclosed in the Annual Report.

### Remuneration to Directors

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company in accordance with the Shareholders' approval on recommendation of Nomination and Remuneration Committee, wherever necessary.

Details of remuneration paid to the Directors during the year under review are as under:

#### (a) Non-Executive Directors (Rs. in lacs)

| Name of the Director | Remuneration | Sitting Fees | No. of Shares held |
|----------------------|--------------|--------------|--------------------|
| Shri G.V. Kalpathy   | -            | 0.08         | -                  |
| Smt. Meenu Sacheti   | -            | 0.05         | -                  |
| Shri K. M. Ladha     | -            | -            | -                  |
| Shri Rahul Singhvi   | -            | 0.26         | -                  |

#### (b) Executive Directors (Rs. in lacs)

| Name of Director and Designation | Salary & Allowances | Performance linked incentive | Total | Period of Contract       | No. of Shares held |
|----------------------------------|---------------------|------------------------------|-------|--------------------------|--------------------|
| Shri Sachin Ranka                | -                   | -                            | -     | 01/09/2024 to 31/08/2029 | 3400               |
| Shri Suvrat Ranka                | 31.70               | -                            | 31.70 | 01/04/2024 to 31/03/2025 | -                  |

- Remuneration is within limits specified under section 197 of the Act, as recommended by Nomination and Remuneration Committee and approved by Board.

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Company Secretary or Board nominee or the consultant tabulate the Forms. The Tabulated Report is sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/she suitably intimate the Chairman of the Board, else the same is deemed to have been accepted.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### Stakeholders' Relationship Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 which are given below:

During the year under review, 4 Stakeholder Relationship Committee Meetings were held, on 30th May, 2024, 10th August, 2024, 13th November, 2024 and 13th February, 2025.

As on 31st March, 2025, the composition of the Committee and the details of the meetings attended by the Members are given below:

| Name of the Member                  | Position | Category      | Number of Meetings |          |
|-------------------------------------|----------|---------------|--------------------|----------|
|                                     |          |               | Held               | Attended |
| Shri Rahul Singhvi                  | Chairman | Independent   | 4                  | 4        |
| Shri K.M. Ladha                     | Member   | Non-Executive | 4                  | 4        |
| Shri Ganpathy Vishwanathan Kalpathy | Member   | Independent   | 4                  | -        |

1. The Chairman of the Stakeholder Relationship Committee was present at the last AGM of the Company held on 30th September, 2024.

### Terms of reference:

1. The Stakeholders Relationship Committee shall consider and resolve the grievances of all stakeholders and security holders of the Company.
2. The Chairperson of the said Committee or, in his absence, any other member of the Committee authorized by him in this behalf shall attend the general meetings of the Company.
3. To review all Shareholder's grievances like non-receipt of annual reports, non-receipt of dividend etc.
4. To issue of Duplicate Share Certificates & Share Transfer Work.

5. Any other work and policy related and incidental to the objectives of the Committee as per provisions of the Act and rules made there under.
6. To resolve the grievances of the security holders of the listed entity including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
7. To review of measures taken for effective exercise of voting rights by shareholders.
8. To review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. To Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Company Secretary also acts as a Secretary to the Committee.

#### **Details of Complaints Received and Resolved**

| Particulars   | No. of Complaints |
|---|-------------------|
| Complaints pending as on 1st April, 2024                                      | 0                 |
| Complaints received during the period 1st April, 2024 to 31st March, 2025     | 8                 |
| Complaints disposed off during the period 1st April, 2024 to 31st March, 2025 | 0                 |
| Complaints outstanding as on 31st March, 2025                                 | 0                 |

#### **Name and Designation of the Compliance Officer**

Name: Mr. Deepak Jain, Company Secretary & Compliance Officer

#### **GENERAL BODY MEETINGS**

##### **Details of Annual General Meetings**

Details of the Annual General Meetings (AGM) of the Company held in the last 3 years are as follows:

| Financial Year/AGM | Date                 | Time      | Venue  | No. of Special Resolution(s) Passed |
|--------------------|----------------------|-----------|--|-------------------------------------|
| 2021-22 44th AGM   | 30th September, 2022 | 1.00 P.M. | Talheti, Village Karoli, Tehsil, Abu Road, Dist. Sirohi-307510 (Rajasthan) | —                                   |
| 2022-23 45th AGM   | 28th September, 2023 | 1.00 P.M. | Talheti, Village Karoli, Tehsil, Abu Road, Dist. Sirohi-307510 (Rajasthan) | 1                                   |
| 2023-24 46th AGM   | 30th September, 2024 | 1.00 P.M. | Talheti, Village Karoli, Tehsil, Abu Road, Dist. Sirohi-307510 (Rajasthan) | 1                                   |

#### **MEANS OF COMMUNICATION**

- a) Annual report containing Audited Annual Accounts, Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it.
- b) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- c) All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website [www.moderndenim.com](http://www.moderndenim.com).
- d) The Company has not made quarterly presentations to analysts.
- e) Disclosures pursuant to various provisions of Listing Regulations, as applicable, are communicated to the BSE Limited, and are displayed by them on their website.

#### **DISCLOSURES**

1. During the year under review, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into. All contracts/arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. A policy on dealing with related party transactions has been uploaded on the website of the Company, [www.moderndenim.com](http://www.moderndenim.com).
2. The Company has submitted Annual Secretarial Compliance Report to BSE and the details of compliance is also given in the Secretarial Audit Report annexed with the Annual Report. No penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.
3. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.
4. The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the notes to the Financial Statements.

5. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
6. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
7. Details relating to fees paid to the Statutory Auditors are given in Note 28 to the Financial Statements.
8. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been disclosed in the Directors' Report
9. Management Discussion and Analysis Report is forming part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.
10. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
11. Details of the Directors seeking appointment/reappointment have been provided in the Notice of the Annual General Meeting.
12. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
13. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations.
14. The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company).

#### **DISCRETIONARY REQUIREMENT UNDER REGULATION 27 OF LISTING REGULATION**

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

1. **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events were posted on the Company's website, the same were not being sent to the shareholders.
2. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

#### **CEO/CFO CERTIFICATION**

The Executive Director and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

#### **GENERAL SHAREHOLDERS' INFORMATION**

##### **1. Annual General Meeting :**

|            |   |  |
|------------|---|--|
| Day & Date | : | Tuesday, 30th September, 2025  |
| Time       | : | 1.00 P.M.  |
| Venue      | : | Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi<br>(Registered Office of the Company) |

##### **2. Financial Calendar:**

The Company follows the period of 1st April to 31st March, as the Financial Year.

| <b>Particulars of Quarter</b>                                  | <b>Tentative dates*</b>            |
|--|------------------------------------|
| First quarterly results  | : On or before 14th August, 2025   |
| Second quarterly / Half yearly results                         | : On or before 14th November, 2025 |
| Third quarterly results  | : On or before 14th Feb, 2026      |
| Annual results for the year ending on<br>31st March, 2025      | : On or before 30th May, 2026      |
| *or such other dates as may be allowed by MCA/SEBI             |                                    |
| Annual General Meeting for the year ending on 31st March, 2025 | : 30 September, 2025               |

##### **3. Dates of Book Closure:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2025 to 30th September, 2025 (both days inclusive).

**4. Stock Exchanges where Equity Shares are listed and Scrip code:**

|   |  |
|---|--|
| <b>BSE Limited (BSE)</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai- 400 001<br>Scrip Code: 515008 | <b>Calcutta Stock Exchange</b><br>7, Lyons Range, Dalhousie<br>Kolkata<br>Scrip Code: 023461 |
|---|--|

**5. Listing Fees to the Stock Exchanges**

The Company has paid listing fees upto financial year 2023-2024 to BSE Limited.

**6. Registrar & Share Transfer Agent:02**

Beetal Financial and Computer Services Private Limited  
Beetal House, 3rd Floor, 99, Madangir, Behind LSC  
New Delhi-110062

**7. Share Transfer System**

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories.

**8. Dematerialization of Shares**

The Company has set up requisite facilities for the dematerialization of its Equity Shares in accordance with the provisions of the Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31st March, 2025 is as under:

| <b>Mode</b>   | <b>No. of Shares</b> | <b>% (Percentage)</b> |
|---------------|----------------------|-----------------------|
| Physical Form | 20362919             | 54.30                 |
| NSDL          | 17091814             | 45.58                 |
| CDSL          | 47267                | 0.13                  |
| <b>Total</b>  | <b>37502000</b>      | <b>100.00</b>         |

**Process of Dematerialization of Shares**

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Beetal Financial & Computer Services Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories
- Upon confirmation of the request, the shareholder will get a credit of the equivalent number of shares in his demat account maintained with the DP

**ISIN No. of the Company: INE01N301019**

**9. Market Price Data:** No Trading in Shares of the Company was held in BSE being the trading is suspended at BSE since 2001.

**10. Distribution of Shareholding as on 31st March, 2025**

| <b>Sr. No</b> | <b>No. of Equity Shares</b> | <b>Number of Shares</b> | <b>% of Shareholding</b> | <b>No. of Shareholders</b> |
|---------------|-----------------------------|-------------------------|--------------------------|----------------------------|
| 1.            | 1-5000                      | 9236633                 | 24.63                    | 53159                      |
| 2.            | 5001-10000                  | 875231                  | 2.33                     | 1161                       |
| 3.            | 10001-20000                 | 511718                  | 1.36                     | 347                        |
| 4.            | 20001-30000                 | 192099                  | 0.51                     | 76                         |
| 5.            | 30001-40000                 | 146580                  | 0.39                     | 41                         |
| 6.            | 40001-50000                 | 138560                  | 0.36                     | 29                         |
| 7.            | 50001-100000                | 161115                  | 0.43                     | 25                         |
| 8.            | 100001-200000               | 243105                  | 0.64                     | 17                         |
| 9.            | 200001 & Above              | 25996959                | 69.32                    | 18                         |
|               | <b>Total</b>                | <b>37502000</b>         | <b>100</b>               | <b>54873</b>               |

**11. Category of Shareholders as on 31st March, 2025**

| Category                     | No. of shares   | % Holding     |
|------------------------------|-----------------|---------------|
| Promoter & Promoter Group    | 13710555        | 36.56         |
| Corporate Bodies             | 129683          | 0.35          |
| Insurance Companies          | 3220261         | 8.59          |
| Banks                        | 6413            | 0.02          |
| Other Financial Institutions | 1915587         | 5.11          |
| Mutual Fund                  | 7038095         | 18.77         |
| Individuals including NRI    | 11467106        | 30.58         |
| Any Other                    | 13900           | 0.02          |
| <b>Total</b>                 | <b>37502000</b> | <b>100.00</b> |

**12. Consolidation of Folios and Avoidance of Multiple Mailing**

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

**13. Reconciliation of Share Capital Audit**

As stipulated by the Securities Exchange Board of India, a qualified Practicing Company Secretary has carried out the reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution, and the total number of dematerialized shares held with NSDL and CDSL.

**14. Plant Locations**

The Company's plants are located at the following addresses:

Village - Moriya, Dist. Ahmedabad 382210 (Gujarat)

Village Nidhrad, Sanand- Kadi Road, Distt Ahmedabad 382110

**15. Address for Correspondence**

The Company Secretary heads the Secretarial Department of the Company. In case of any problem/query, shareholders can contact at registered office of the Company at:

Talheti, Village Karoli,

Tehsil Abu Road, Dist. Sirohi - 307510

Phone: 91-02974-228377

Email: denim.modern@gmail.com

## CODE OF CONDUCT DECLARATION

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year ended 31st March, 2025.

Place : Ahmedabad

Date : 14th August, 2025

**Sachin Ranka**

Chairman & Managing Director

DIN: 00335534

### CEO/CFO CERTIFICATE

The Board of Directors  
Modern Denim Limited

We the undersigned, in our respective capacities as Whole-Time Director and Chief Financial Officer of Modern Denim Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year 31st March, 2025, and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company. We have not come across any reportable deficiencies in the design or operation of internal controls.
- d. We have indicated to the Auditors and the Audit Committee that:
  - i. there are no significant changes in the internal control over financial reporting during the year;
  - ii. the significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. there are no instances of significant fraud of which we have become aware.

**For Modern Denim Limited**

Place : Abu Road  
Date : 14/08/2025

**Pankaj Sarda**  
Chief Financial Officer

**Suvrat Ranka**  
Whole-Time Director  
DIN : 08076235

### CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Modern Denim Limited

1. We have examined the compliance of the conditions of Corporate Governance by Modern Denim Limited ("the Company") for the year ended on March 31st, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

#### **Management's Responsibility for compliance with the conditions of SEBI Listing Regulations**

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

#### **Our 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 the 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 and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.
5. We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India ("ICSI"). Opinion
6. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we here by certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations except observations as given in the Secretarial Report.
7. We further 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 and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it 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 JYOTI SONI & ASSOCIATES**  
Practicing Company Secretaries  
ICSI Unique Code S2018RJ606900  
PR 2198/2022

**CS Jyoti Soni**

Place : Jaipur  
Date: 14th August, 2025

Prop. ACS 38058 | C P No.: 19478  
UDIN NO. : A038058G001019148

### Annexure-1

#### CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

Modern Denim Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Modern Denim Limited having CIN L17124RJ1977PLC001758 and having registered office at Modern Denim Limited Talheti, Village Karoli, Tehsil Abu Road ABU Road Sirohi Rajasthan-307510 (herein after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this **Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

#### List of Directors of Modern Denim Limited as on March 31, 2025

| Sr. No. | Name of Director                   | DIN      |
|---------|------------------------------------|----------|
| 1.      | Mr. Sachin Ranka                   | 00335534 |
| 2.      | Mr. Suvrat Sachin Ranka            | 08076235 |
| 3.      | Mr. Kedarmal Ladha                 | 09119472 |
| 4.      | Mr. Rahul Singhvi                  | 08816920 |
| 5.      | Mr. Ganpathy Vishwanathan Kalpathy | 10512773 |
| 6.      | Smt. Meenu Alok Sacheti            | 02266703 |

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

**For JYOTI SONI & ASSOCIATES**

Practicing Company Secretaries

ICSI Unique Code S2018RJ606900

PR 2198/2022

**CS Jyoti Soni**

Place : Jaipur

Date: 14th August, 2025

Prop. ACS 38058 |C P No.: 19478

UDIN NO. : A038058G001019159



**1. A brief outline of the Company's CSR policy of the Company**

## 2. The Composition of the CSR Committee:

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

**a. Web-link of Composition of CSR Policy: -**

[https://www.moderndenim.com/investors/invpdf/Policy\\_CSR.pdf](https://www.moderndenim.com/investors/invpdf/Policy_CSR.pdf)

**b. Web-link of Composition of CSR committee: -**

<http://www.moderndenim.com/investors/boardOfDir.html>

**c. Web-link of CSR projects approved by the Board: -**

Not applicable

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). –

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any –

|    |  |  |     |
|----|--|--|-----|
| 6. | Average net profit of the Company as per section 135(5): |  | NIL |
| 7. | (a)  | Two percent of average net profit of the Company as per Section 135(5)                               | NA  |
|    | (b)  | Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | NA  |
|    | (c)  | Amount required to be set off for the financial year, If any   | NA  |
|    | (d)  | Total CSR obligation for the financial year (7a+7b+7c).  | NA  |

**8. (a) CSR amount spent or unspent for the financial year:**

(b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

[illegible]

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Nil
- (g) Excess amount for set off, if any

| Sl. No. | Particulars   | Amount (Rs. in Lacs.) |
|---------|---|-----------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | NA                    |
| (ii)    | Total amount spent for the Financial Year   | NA                    |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | NA                    |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NA                    |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | NA                    |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |                 |                  | Amount remaining to be spent in succeeding financial years (in Rs.) |
|---------|--------------------------|--|---|---|-----------------|------------------|---|
|         |                          |  |   | Name of the fund  | Amount (in Rs.) | Date of transfer |   |
| –       | NA                       | NA   | NA  | NA  | NA              | NA               | NA  |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1)     | (2)        | (3)                 | (4)   | (5)              | (6)   | (7)  | (8)   | (9)   |
|---------|------------|---------------------|---|------------------|---|--|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year (in Rs.) | Status of the project - Completed / Ongoing |
| –       | NA         | NA                  | NA  | NA               | NA  | NA   | NA  | NA  |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- a. Date of creation or acquisition of the capital asset(s). : NA
- b. Amount of CSR spent for creation or acquisition of capital asset. : NA
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA
- d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : The average profit calculated under section 198 of the Companies Act, 2013 is negative hence company is not required to spend any amount on CSR. Further Company is a Sick Industrial Company and has huge amount of accumulated losses which has eroded the Company's net worth.

Place : Abu Road  
Date : 14th August, 2025

(Sachin Ranka)  
Chairman & Managing Director  
(DIN: 00335534)

### Annexure E to Boards' Report

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.:

Information on the Conservation of Energy, Technology absorption, Foreign Exchange earnings, and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder: -

##### (A) Conservation of Energy:

- (i) The steps taken or impact on conservation of energy:  
Energy conservation continues to receive priority attention at all levels. Company ensures that the manufacturing operations are conducted in a manner whereby optimum utilization and maximum possible saving of energy is achieved.
- (ii) The steps taken by the Company for utilizing alternate sources of energy:  
All efforts are made to conserve and optimize the use of energy with continuous monitoring through improved operational techniques.
- (iii) The capital investment of energy conservation equipments:  
No specific investment has been made in the reduction in energy consumption.

##### (B) Technology absorption:

- (i) The efforts made towards technology absorption:  
The Company is having research and development cell, headed by

a senior and experienced textile technologist. The Company constantly strives for maintenance and improvement in quality of its products.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution-  
The Company has developed numerous qualities, which have been accepted by the Market.

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

- (iv) The expenditure incurred on Research and Development-

|               |         |
|---------------|---------|
| (a) Capital   | : ₹ Nil |
| (b) Recurring | : ₹ Nil |
| Total         | : ₹ Nil |

Total R&D expenditure as % age of total turnover: N.A.

##### (C) Foreign exchange earnings and Outgo:

The Company has earned foreign exchange of ₹ 382.03 Lacs as against an outgo of ₹ 13.49 Lacs during the year.

### FORM MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31st March, 2025

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

To,  
The Members,  
MODERN DENIM LIMITED  
Talheti, Village karoli,  
Tehsil ABU Road,  
Sirohi 307510  
Rajasthan

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Modern Denim Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Modern Denim Limited 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (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 (Not applicable to the Company during the Audit Period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and amendments thereof;
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the Company.

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Calcutta Stock Exchange but the trading of the company with stock Exchanges is suspended.
- (iii) The Sick Industrial Companies (Special Provisions) Act, 1985. The Company has been declared as Sick Company by the Board for Industrial and Financial Reconstruction (BIFR) and the company has

submitted rehabilitation scheme to BIFR which was under examination /approval but as per the notification of government BIFR has been abated w.e.f. 01.12.2016 and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. The Company has filed application for revocation of suspension of trading and the Company has complied with the SEBI (LODR) Regulations, 2015 except either not complied or delay in compliance of regulation 13, 23, 24A, 27(2), 30, 46 & 47 and other regulation of SEBI (LODR) Regulations, 2015. Further, the application for revocation of suspension is in process and trading is still suspended.
2. During the year no form was filed in respect of Approval of Audited Financial Statements of the company for the year end 31st March, 2024 in compliance of Section 179 (3) (g) Powers of Board of Directors of Companies Act, 2013. However, Company has noted the same and assured that they will file the same.
3. The company has Cumulative Redeemable preference shares amounting to Rs. 650 lacs which are not redeemed in view of accumulated losses. As per explanation given by the company, final redemption of Preference Shares shall be in accordance with the scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 which is under process of approvals from concerned authorities.
4. The Company has unpaid Fixed deposits and interest thereon. For the same, Management has clarified that the Hon'ble Company Law Board has passed an order on 21.12.2001 that "the Repayment of Fixed Deposits shall be made by the company in accordance with revival scheme as and when approved by BIFR under the provisions of SIC A and after abatement of BIFR, scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities.
5. The company has unpaid nonconvertible debentures and interest thereon which were due for redemption but same are not redeemed by the company as company expects waiver/relief under Compromise, arrangements and amalgamation Scheme u/s 230-232 of the Companies

Act, 2013 which is under process of approvals from concerned authorities.

6. The Company has an outstanding amount of Share Application money pending for allotment of Rs. 1600 Lacs which is pending from more than 7 years. For the same, Management has clarified that its represent subscription pursuant to the Restructuring/ settlement scheme thus not refundable and Instrument will be issued in accordance with the scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 which is under process of approvals from concerned authorities.

#### **We further report that**

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors in compliance with the Companies Act 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 the decisions were taken unanimously in the meetings and no dissenting views observed in the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to ensure compliance with applicable laws, rules, regulations and guidelines. However, the company needs strengthen the monitoring system.

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

#### **FOR JYOTI SONI & ASSOCIATES**

Practicing Company Secretaries  
ICSI Unique Code S2018RJ606900  
PR 2198/2022

August 14, 2025 Jaipur  
UDIN: A038058G001019137

**CS Jyoti Soni**  
[Prop.]  
ACS 38058|CP No.19478

#### **ANNEXURE 'A'**

To,  
The Members  
Modern Denim Limited

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance

Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax except some dues as mentioned in Independent Auditors' Report. There are some disputed statutory dues, which have not been deposited on account of matter pending before appropriate authorities as mentioned in Independent Auditors' Report.

5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

#### **FOR JYOTI SONI & ASSOCIATES**

Practicing Company Secretaries  
ICSI Unique Code S2018RJ606900  
PR 2198/2022

August 14, 2025 Jaipur  
UDIN: A038058G001019137

**CS Jyoti Soni**  
[Prop.]  
ACS 38058|CP No.19478

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
**MODERN DENIM LIMITED**  
Ahmedabad

### Report on the Audit of the Standalone Financial Statements Qualified Opinion

1. We have audited the accompanying Standalone Financial Statements of **MODERN DENIM LIMITED** ("the Company") which comprise the Balance Sheet as at **31<sup>st</sup> March 2025**, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").
  2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its Loss, Other Comprehensive Income, its Cash Flows and Changes in Equity for the year ended on that date.
- Basis for Qualified Opinion**
3. The Company has not recognised Dividend on cumulative redeemable preference share on effective interest method as required by Ind AS 109 "Financial Instruments". Dividend on cumulative redeemable preference shares amounting to ₹ 110.75 Lakhs for the year (Previous year ₹ 110.75 Lakhs) has not been provided (Note No. 27.3). The total amount of Dividend on cumulative redeemable preference shares not provided till 31<sup>st</sup> March 2025 amounts to ₹ 3780.86 Lakhs (up to previous Balance Sheet date ₹ 3670.11 Lakhs) including Dividend Distribution Tax Payable thereon of ₹ 569.12 Lakhs (Note No. 13.2). Had the Company provided interest on financial liabilities in current year, Finance Cost & Loss for the year would have been higher by ₹ 110.75 Lakhs and Other Current Financial Liabilities & debit balance of Retained Earning under the head Other Equity would have been higher by ₹ 3780.86 Lakhs (upto previous Balance Sheet date ₹ 3670.11 Lakhs). A similar qualification had been given in the previous year's Auditor's Report.
  4. The company has not recognised interest in respect of certain Secured and Unsecured Borrowings on effective interest method as required by Ind AS 109 "Financial Instruments". Interest on certain Secured and Unsecured Borrowings amounting to ₹ 57.47 Lakhs for the year (Previous year ₹ 123.46 Lakhs) (Note No. 27.1, & 27.2) has not been provided. Had the Company provided interest on certain Secured and Unsecured Borrowings in current year, Finance Cost & Loss for the year would have been higher by ₹ 57.47 Lakhs (previous year ₹ 123.46 Lakhs) and Other Current Financial Liabilities & debit balance of Retained Earning under the head Other Equity would have been higher by ₹ 2357.79 Lakhs (upto previous Balance Sheet date ₹ 2300.32 Lakhs). A similar qualification had been given in the previous year's Auditor's Report.
  5. The Company has not measured Non-Current Borrowing of ₹ 6984.00 Lakhs (P.Y. ₹ 6374.00 Lakhs) initially at fair value as required by Ind AS 109 "Financial Instruments". Had the Company fair valued the same; Interest Income, Finance Cost & Non-current Borrowings would have been higher and Other Current Finance Liabilities would have been lower by ₹ 517.63 Lakhs (Previous year ₹ 441.13 Lakhs). However, there is no effect in Statement of Profit & Loss for the year as well as

Debit balance of Other Equity (Refer Note no. 13.5, 22.1 & 27.4). A similar qualification had been given in the previous year's Auditor's Report.

6. As a Consequence of the matters reported at para 3 to 5 above, non-compliance the explicit and unreserved statement of the compliance with Ind AS as stated in note no.1A(a) is not in accordance with Ind AS-1 "Presentation of Financial Statements".
7. We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Material uncertainty related to Going Concern

8. We draw attention to Note 42 of the standalone financial statements disclosing the material uncertainties that may affect the company from being able to continue as a going concern which are as under.
  - a. BIFR had declared the company as a sick company and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities.
  - b. Company's net worth is fully eroded and has a negative net worth of ₹ 6639.80 Lakhs (Previous year ₹ 6071.20 Lakhs). The company has neither the intention to liquidate nor the intention to cease its operation nor is compelled to do so. The financial statements have, therefore, been prepared on going concern basis. Our opinion is not qualified in respect of this matter.

### Emphasis of Matters

9. Emphasis of Matters are as under
  - (a) As described in Note 12.1, 13.1, 13.2, 16.2, 16.4, 18.2 & 18.3 to the Standalone Financial Statement, on the basis of Expert opinion obtained by the company, the amounts of Equity Share application money pending for allotment, Cumulative Redeemable Preference share, Non-Convertible Debenture (NCD) and interest accrued on NCD, are not required to be transferred to Investor Education Protection Fund (IEPF).  
Our opinion is not qualified in respect of this matter.
  - (b) As described in Note 16.4 & 18.4 to the Standalone Financial Statement, the company has filed Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 seeking the waiver/relief for repayment of public fixed deposit and interest accrued thereon. Based on the expected relief from NCLT and Expert opinion taken by the company, the company considers no amount as due to be transferred to IEPF.  
Our opinion is not qualified in respect of this matter.

### Key Audit Matters

10. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the, Standalone Financial Statements of the current period. These matters were addressed in the context of our audit, of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion, on these matters.
11. Key audit matter identified in our audit in respect of **Valuation and Existence of High Inventory Levels** as follows:  
[Refer Note 1 A(g) , 5 & 24]

| Sr. No. | Name of Components                               | Key audit matter  | How our audit addressed the key audit matter   |
|---------|--|---|--|
| 1.      | Valuation and Existence of High Inventory Levels | <p>As at 31.03.2025, the Company has reported inventories amounting to ₹ 19.47 crores, as disclosed in Note 5 to the financial statements which is almost 52% of Total Assets. This represents a significant portion of the Company's total assets. The inventories primarily comprise [e.g., raw materials, work-in-progress, and finished goods]. The valuation of inventories involves significant management judgment, particularly in assessing net realizable value, identifying obsolete or slow-moving items, and applying appropriate costing methodologies. In addition, the existence of such a substantial inventory balance requires robust controls around stock verification and reconciliation.</p> <p>We considered this a key audit matter due to the magnitude of the inventory balance and the subjectivity involved in its valuation, which required extensive audit procedures and professional judgment.</p> | <p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>Evaluating the design and testing the operating effectiveness of controls over inventory management and valuation.</li> <li>Participating in and observing physical inventory counts and condition of inventory.</li> <li>Assessing the appropriateness of the inventory valuation methods used, as weighted average methods.</li> <li>Testing the net realizable value of selected inventory items by comparing cost to recent selling prices and reviewing subsequent sales transactions.</li> <li>Assessing the Company's process for identifying and provisioning for obsolete and slow-moving inventory, including evaluating management's estimates and assumptions.</li> <li>Reviewing the adequacy and completeness of disclosures in accordance with the applicable financial reporting framework</li> </ul> |

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

12. The Company's management and Board of Directors are responsible for 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, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

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

13. 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 standalone financial statement that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the 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 the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

14. 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.

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

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

17. 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
18. 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.
19. 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.
20. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on Other Legal and Regulatory Requirements**
21. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
22. Further to our comments in Annexure A, 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) Except for the matters stated in paragraph 3 to 6 of the Report under basis for qualified opinion, In our opinion, the aforesaid standalone financial statements comply with accounting standards as specified under Section 133 of the Act.
  - e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on 31st March, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) The Qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for Qualified Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statement.
  - i) The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
  - j) 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 standalone Ind AS financial statements. (Refer Note 34 to the financial statements);
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There is no default in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended on 31st March, 2025. (Refer Notes 12.1, 13.1, 13.2, 16.2, 16.4, 18.2 & 18.3 to the financial statements).
    - iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether directly or indirectly lend or invest in the 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.
    - (ii) The management has represented, that to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - iii) Based on such audit procedures as 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) of the Companies (Audit and Auditors) Rules, 2014, as mentioned at para (iv)(i) and (iv)(ii)

above, contain any material mis-statement.

- v. The company has not declared or paid any dividend during the year as prescribed under Section 123 of the Act.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved

by the company as per the statutory requirements for record retention the date of implementation of edit log feature.

**For J. T. Shah & Co.**  
Chartered Accountants  
[Firm Regd. No. 109616W]

Place : Ahmedabad  
Date : 28.05.2025

**(A.K. Panchal)**  
Partner  
[M. No. 116848]  
UDIN:25116848BMKYUH7284

### Annexure "A" to Independent Auditor's Report

Referred to in paragraph 21 of our report of even date to the Members of **MODERN DENIM LIMITED** for the year ended **31st March, 2025**.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

#### 1. In respect of Property, Plant and Equipment :

- (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipments other than Furniture and Fixtures and Office Equipment for which detailed records are not maintained.
- (ii) The Company does not have any intangible assets and therefore, the Clauses 3(i) (b) of the Companies (Auditor's Report) Order, 2020 (the Order) is not applicable to the company.
- (b) The property, plant and equipments were physically verified by the Management according to a phased programme at regular interval which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, property, plant and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant & Equipments or intangible assets during the year.
- (e) No proceedings have been initiated or pending against the company for holding any Benami property under the Benami Transaction (Prohibition) Act, 1988 and rules made there under.

#### 2. In respect of its Inventories :

- (a) The physical verification of inventories has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by management is appropriate and no material discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (b) Company has not been sanctioned any working capital facility from banks or financial institutions in excess of ₹ 5 Crore rupees, in aggregate from Banks on the basis of security of current assets at any point of time during the year and therefore the clauses 3(ii) (b) of the Order is not applicable to the company.

#### 3. In respect of Loans and Advances granted during the year:

The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, the Clauses 3(iii) (a) to (f) of the Order are not applicable to the company.

#### 4. Loans, Investments and Guarantees:

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

#### 5. In respect of Deposits:

During the year, the company has not accepted any deposits or amount which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. Accordingly, clause 3(v) of Order is not applicable.

#### 6. In Respect of Cost Records:

The company is not required to maintain cost records as required by the Central Government under sub-section (1) section 148 of the Act. Accordingly, clause 3(vi) of Order is not applicable.

#### 7. In respect of Statutory Dues :

- (a) The Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues were outstanding as at 31st March, 2025 for a period of more than six months from the date they became payable .
- (b) There were no dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess which have not been deposited on account of any dispute except following

| Act                         | Nature of Dues | F.Y.              | Amounts ₹ in Lakhs | Forum         | Remarks    |
|-----------------------------|----------------|-------------------|--------------------|---------------|------------|
| Gujarat Value Added Tax Act | GST & Interest | July'2017-March18 | 32.92              | Tribunal GST* | Refer Note |

\* Note: The Company is in the process of filling appeal at Tribunal. The time limit for filing appeal is not expired till date of this report.

#### 8. In Respect of Undisclosed Income Discovered in Income tax Assessment:

There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, clause 3 (viii) of Order is not applicable to the company.



**9. In respect of Repayment of Loans:**

- (a) The Company has defaulted in repayment of installments of dues to Debenture holders amounting to ₹ 319.72 Lakhs since 1997 and interest thereon ₹ 291.46 Lakhs up to March-2002.
- (b) The company is not been declared as willful defaulter by any bank or financial institution or other lenders.
- (c) The Company has not taken any term loan during the year. Hence reporting under clause 3 (ix) (c) & (d) of the Order are not applicable to the Company.
- (d) The company has not taken any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3 (ix) (e) of the Order is not applicable to the Company.
- (e) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, clause 3 (ix)(f) of the Order is not applicable to the Company.

**10. In Respect of Public Offerings:**

- (a) The company has not accepted any fresh deposits during the year as per the information and explanation given to us, in respect of deposits accepted in earlier years, the compliance with the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed there under are subject to the order passed by the Company law Board on 21.12.2001 whereby the Company is required to make repayment of deposits and payment of interest thereon in accordance with the revival scheme approval by the BIFR under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Act is under process of approvals from concerned authorities.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

**11. (a) To the best of our knowledge, No fraud by the Company or no material fraud on the company has been noticed or reported during the year.**

- (b) The records of the company examined by us, no report under sub-Section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditor) Rules 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

**12. As the company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Accordingly, provisions of clause (xii) (a) to (c) of the Order are not applicable to the Company.**
**13. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.**
**14. In Respect of Internal Audit:**

- (a) The company has an internal audit system commensurate with the size and nature of its business of the company.
- (b) We have considered, during the course of our audit, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

**15. In our opinion, the Company has not entered in to any non-cash transactions with its directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.**
**16. In Respect to the Provisions of Reserve Bank Of India Act 1934:**

- (a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi)(a) of the Order is not applicable to the company.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause (xvi)(b) of the Order is not applicable to the company.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause (xvi)(c) & (d) of the Order are not applicable to the company.

**17. The Company has incurred cash losses of ₹ 479.23 Lakhs in the financial year under review and also incurred cash loss of ₹ 442.30 in the immediately preceding financial year.**
**18. During the year, there has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.**
**19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.**
**20. According to the information and explanation given to us and the records of the company examined by us, there were no unspent amounts required to be transferred to special account as required by Section 135 of the Act. Accordingly, provisions of sub clause (a) and (b) of clause (xx) of the Order are not applicable to the company.**

**For J. T. Shah & Co.**  
Chartered Accountants  
[Firm Regd. No. 109616W]

Place : Ahmedabad  
Date : 28.05.2025

**(A.K. Panchal)**  
Partner  
[M. No. 116848]  
(UDIN: 25116848BMKYUH7284)

## ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 22 (h) of our Report of even date to the Members of **MODERN DENIM LIMITED** for the year ended **31st March, 2025**.

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

#### **Opinion**

We have audited the internal financial controls over financial reporting of **MODERN DENIM LIMITED** (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

#### **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.

#### **Auditor’s 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 included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system 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 (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls 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.

**For J. T. Shah & Co.**  
 Chartered Accountants  
 [Firm Regd. No. 109616W]

Place : Ahmedabad  
 Date : 28.05.2025

**(A.K. Panchal)**  
 Partner  
 [M. No. 116848]  
 (UDIN: 25116848BMKYUH7284)

## BALANCE SHEET AS AT 31st MARCH, 2025

(Corporate Identify Number : L17124RJ1977PLC001758)

(₹ in lakhs)

| Particulars  | Note No. | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|--|----------|---------------------------|---------------------------|
| <b>ASSETS</b>  |          |                           |                           |
| <b>Non-current assets</b>  |          |                           |                           |
| (a) Property, plant & equipment & Intangible Assets                                      |          |                           |                           |
| (i) Property, plant & equipment  | 2A       | 772.95                    | 861.70                    |
| (b) Financial assets   |          |                           |                           |
| (i) Others   | 3        | 2.26                      | 2.26                      |
| (c) Other non-current assets   | 4        | —                         | —                         |
| <b>Total Non-Current Assets</b>  |          | <b>775.21</b>             | <b>863.96</b>             |
| <b>Current assets</b>  |          |                           |                           |
| (a) Inventories  | 5        | 1,947.93                  | 1,807.90                  |
| (b) Financial Assets   |          |                           |                           |
| (i) Trade receivables  | 6        | 415.53                    | 431.71                    |
| (ii) Cash and cash equivalents   | 7        | 7.82                      | 29.94                     |
| (iii) Bank balances other than cash & cash equivalent                                    | 8        | 22.08                     | 20.82                     |
| (iv) Other Financial Assets  | 9        | 52.34                     | 10.91                     |
| (c) Other current assets   | 10       | 285.30                    | 286.80                    |
| (d) Assets Classified as Held For Sale   | 2B       | 132.53                    | 204.18                    |
| <b>Total Current Assets</b>  |          | <b>2,863.53</b>           | <b>2,792.26</b>           |
| <b>TOTAL ASSETS</b>  |          | <b>3,638.74</b>           | <b>3,656.22</b>           |
| <b>EQUITY AND LIABILITIES</b>  |          |                           |                           |
| <b>Equity</b>  |          |                           |                           |
| (a) Equity share capital   | 11       | 3,750.20                  | 3,750.20                  |
| (b) Other Equity   | 12       | (10,390.00)               | (9,821.40)                |
| <b>Total Equity</b>  |          | <b>(6,639.80)</b>         | <b>(6,071.20)</b>         |
| <b>Liabilities</b>   |          |                           |                           |
| <b>Non-current Liabilities</b>   |          |                           |                           |
| (a) Financial Liabilities  |          |                           |                           |
| (i) Borrowings   | 13       | 7,634.00                  | 7,024.00                  |
| (b) Provisions   | 14       | 63.86                     | 57.11                     |
| (c) Deferred tax liabilities (Net)   | 15       | —                         | —                         |
| <b>Total Non-Current Liabilities</b>   |          | <b>7,697.86</b>           | <b>7,081.11</b>           |
| <b>Current Liabilities</b>   |          |                           |                           |
| (a) Financial Liabilities  |          |                           |                           |
| (i) Borrowings   | 16       | 951.41                    | 972.53                    |
| (ii) Trade payables  |          |                           |                           |
| - Total outstanding dues of micro enterprises and small enterprises                      | 17       | 1.96                      | 2.60                      |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 17       | 189.41                    | 232.12                    |
| (iii) Other financial liabilities  | 18       | 1,405.72                  | 1,401.68                  |
| (b) Other current liabilities  | 19       | 25.25                     | 21.32                     |
| (c) Provisions   | 20       | 6.93                      | 16.06                     |
| <b>Total Current Liabilities</b>   |          | <b>2,580.68</b>           | <b>2,646.31</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          | <b>3,638.74</b>           | <b>3,656.22</b>           |
| Material Accounting Policies   | 1        |                           |                           |
| Notes on financial statements  | 2 to 46  |                           |                           |

As per our report of even date attached

**For J.T. Shah & Co.**Chartered Accountants  
(FRN No. 109616W)**[A K Panchal]**

Partner

[M.No. 116848]

Place : Ahmedabad

Date : 28/05/2025

(UDIN : 25116848BMKYUH7284)

'For and on behalf of the Board of Directors' of Modern Denim Limited

|                    |                                |                 |
|--------------------|--------------------------------|-----------------|
| Sachin Ranka       | – Chairman & Managing Director | (DIN: 00335534) |
| Suvrat Ranka       | – Whole-Time Director          | (DIN: 08076235) |
| K.M. Ladha         | – Non-Executive Director       | (DIN: 09119472) |
| Rahul Singhvi      | – Independent Director         | (DIN: 08816920) |
| G.V. Kalpathy      | – Independent Director         | (DIN: 10512773) |
| Meenu Sacheti      | – Independent Director         | (DIN: 02266703) |
| Pankaj Kumar Sarda | – Chief Financial Officer      |                 |
| Deepak Jain        | – Company Secretary            |                 |

Place : Abu Road

Date : 28/05/2025

**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31st MARCH, 2025**  
**(Corporate Identify Number : L17124RJ1977PLC001758)**

(₹ in Lakhs)

| Particulars   | Note No. | Year ended<br>31st March, 2025 | Year ended<br>31st March, 2024 |
|---|----------|--------------------------------|--------------------------------|
| <b>Income</b>   |          |                                |                                |
| Revenue from operations   | 21       | 2,237.16                       | 2,503.90                       |
| Other income  | 22       | 67.61                          | 13.33                          |
| <b>Total Income</b>   |          | <b>2,304.77</b>                | <b>2,517.23</b>                |
| <b>Expenses</b>   |          |                                |                                |
| Cost of materials consumed  | 23       | 1,623.57                       | 1,725.22                       |
| Purchase of stock-in-trade  | 24       | 70.41                          | 101.30                         |
| Changes in inventories of finished goods, stock-in-trade & stock in process | 25       | (158.37)                       | (108.07)                       |
| Employee benefits expenses  | 26       | 493.38                         | 465.99                         |
| Finance costs   | 27       | 2.62                           | 5.19                           |
| Depreciation and amortization expenses                                      | 2        | 90.55                          | 91.22                          |
| Other expenses  | 28       | 752.39                         | 769.90                         |
| <b>Total Expenses</b>   |          | <b>2,874.55</b>                | <b>3,050.75</b>                |
| <b>Profit/(Loss) before exceptional items and Tax</b>                       |          | <b>(569.78)</b>                | <b>(533.52)</b>                |
| <b>Less : Exceptional Items</b>   |          | <b>—</b>                       | <b>—</b>                       |
| <b>Profit/(Loss) before tax</b>   |          | <b>(569.78)</b>                | <b>(533.52)</b>                |
| <b>Tax Expense:</b>   |          |                                |                                |
| Current Tax   | 29       | —                              | —                              |
| Deferred Tax  | 29       | —                              | —                              |
| <b>Total Tax Expenses</b>   |          | <b>—</b>                       | <b>—</b>                       |
| <b>Profit/(Loss) after tax</b>  |          | <b>(569.78)</b>                | <b>(533.52)</b>                |
| <b>Other comprehensive income</b>   |          |                                |                                |
| Items that will not be reclassified to profit or loss :                     |          |                                |                                |
| (i) Re-measurement gain / (loss) on defined benefit obligation              | 30       | 1.18                           | (1.87)                         |
| (ii) Income tax relating to above   |          | —                              | —                              |
| <b>Total other comprehensive income for the year (net of tax)</b>           |          | <b>1.18</b>                    | <b>(1.87)</b>                  |
| <b>Total comprehensive income for the year</b>                              |          | <b>(568.60)</b>                | <b>(535.39)</b>                |
| <b>Earnings per equity share (in Rs.)</b>                                   | 31       |                                |                                |
| Basic   |          | (1.52)                         | (1.42)                         |
| Diluted   |          | (1.52)                         | (1.42)                         |
| Material Accounting Policies  | 1        |                                |                                |
| Notes on financial statements   | 2 to 46  |                                |                                |

As per our report of even date attached

**For J.T. Shah & Co.**Chartered Accountants  
(FRN No. 109616W)**[A K Panchal]**

Partner

[M.No. 116848]

Place : Ahmedabad

Date : 28/05/2025

(UDIN : 25116848BMKYUH7284)

‘For and on behalf of the Board of Directors’ of Modern Denim Limited

|                    |                                |                 |
|--------------------|--------------------------------|-----------------|
| Sachin Ranka       | – Chairman & Managing Director | (DIN: 00335534) |
| Suvrat Ranka       | – Whole-Time Director          | (DIN: 08076235) |
| K.M. Ladha         | – Non-Executive Director       | (DIN: 09119472) |
| Rahul Singhvi      | – Independent Director         | (DIN: 08816920) |
| G.V. Kalpathy      | – Independent Director         | (DIN: 10512773) |
| Meenu Sacheti      | – Independent Director         | (DIN: 02266703) |
| Pankaj Kumar Sarda | – Chief Financial Officer      |                 |
| Deepak Jain        | – Company Secretary            |                 |

Place : Abu Road

Date : 28/05/2025

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2025**  
(Corporate Identify Number : L17124RJ1977PLC001758) (₹ in Lakhs)

| PARTICULARS  | Year ended<br>31st March, 2025 | Year ended<br>31st March, 2024 |
|--|--------------------------------|--------------------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                               |                                |                                |
| Profit/(Loss) before Tax   | <u>(569.78)</u>                | <u>(533.52)</u>                |
|  | <u>(569.78)</u>                | <u>(533.52)</u>                |
| <b>Non Cash adjustment to reconcile profit before tax to net cash flows:</b> |                                |                                |
| Depreciation   | 90.55                          | 91.22                          |
| Interest Income  | (1.76)                         | (1.49)                         |
| Impairment Loss on Trade Receivable  | 1.48                           | (2.49)                         |
| Profit(-)/Loss(+) on sale of Property, Plant & Equipment                     | <u>52.85</u>                   | <u>0.42</u>                    |
|  | <b>143.12</b>                  | <b>87.66</b>                   |
| <b>Operating profit before working capital change</b>                        | <b>(426.66)</b>                | <b>(445.86)</b>                |
| <b>Adjustment for Movements in Working Capital:</b>                          |                                |                                |
| Increase/(decrease) in trade Payable   | (43.35)                        | (69.61)                        |
| Increase/(decrease) in Long -Term Provision                                  | 7.93                           | 2.62                           |
| Increase/(decrease) in short-term Provision                                  | (9.13)                         | 8.59                           |
| Increase/(decrease) in other current liability                               | 3.93                           | (8.07)                         |
| Increase/(decrease) in other current Financial liability                     | 4.04                           | (104.39)                       |
| Decrease/(increase) in trade receivable                                      | 14.70                          | 338.98                         |
| Decrease/(increase) in inventories   | (140.04)                       | (156.25)                       |
| Decrease/(increase) in Other non current Assets                              | -                              | 10.52                          |
| Decrease/(increase) in Other current Financial Assets                        | (41.61)                        | (0.18)                         |
| Decrease/(increase) in Other current Assets                                  | <u>0.84</u>                    | <u>11.99</u>                   |
|  | <u>(202.69)</u>                | <u>34.20</u>                   |
| Taxes / TDS paid (Net) Refund/(Paid)   | <u>0.66</u>                    | <u>0.50</u>                    |
| <b>Cash Generated from Operations</b>  | <b>(628.69)</b>                | <b>(411.16)</b>                |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                               |                                |                                |
| Interest Received  | 1.94                           | 1.10                           |
| Purchase of Property, Plant & Equipment                                      | (1.80)                         | (1.74)                         |
| Decrease/(increase) in Bank Fixed Deposit                                    | (1.26)                         | -                              |
| Proceeds from Disposal of Property, Plant & Equipment                        | <u>18.81</u>                   | <u>0.11</u>                    |
| <b>Net Cash used in Investing Activities</b>                                 | <b>17.69</b>                   | <b>(0.53)</b>                  |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                               |                                |                                |
| Borrowings   |                                |                                |
| Debenture - current maturity   | (9.79)                         | (2.16)                         |
| Proceeds from Long term borrowings   | 740.00                         | 660.00                         |
| Repayment of Short term borrowings   | (130.00)                       | (225.00)                       |
| Public Fixed deposit   | <u>(11.33)</u>                 | <u>(1.67)</u>                  |
| <b>Net Cash From Financing Activities</b>                                    | <b>588.88</b>                  | <b>431.17</b>                  |
| <b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>                    | <b>(22.12)</b>                 | <b>19.48</b>                   |
| <b>Cash &amp; Cash Equivalents - Opening Balance</b>                         | <b>29.94</b>                   | <b>10.46</b>                   |
| <b>Cash &amp; Cash Equivalents - Closing Balance</b>                         | <b>7.82</b>                    | <b>29.94</b>                   |

Reconciliation of cash and cash equivalents as per the cash flow statement.

**Cash and cash equivalents as per above comprise of the following:**

| Particulars                 | As at 31.03.2025 | As at 31.03.2024 |
|-----------------------------|------------------|------------------|
| Cash on hand                | <u>0.90</u>      | 0.80             |
| Balance in current accounts | <u>6.92</u>      | 29.14            |
| <b>Total</b>                | <b>7.82</b>      | <b>29.94</b>     |

**Note :** The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard-7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015.

As per our report of even date attached

**For J.T. Shah & Co.**

Chartered Accountants

(FRN No. 109616W)

**[A K Panchal]**

Partner

[M.No. 116848]

Place : Ahmedabad

Date : 28/05/2025

(UDIN : 25116848BMKYUH7284)

'For and on behalf of the Board of Directors' of Modern Denim Limited

Sachin Ranka – Chairman & Managing Director (DIN: 00335534)

Suvrat Ranka – Whole-Time Director (DIN: 08076235)

K.M. Ladha – Non-Executive Director (DIN: 09119472)

Rahul Singhvi – Independent Director (DIN: 08816920)

G.V. Kalpathy – Independent Director (DIN: 10512773)

Meenu Sacheti – Independent Director (DIN: 02266703)

Pankaj Kumar Sarda – Chief Financial Officer

Deepak Jain – Company Secretary

Place : Abu Road

Date : 28/05/2025

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025**
**A. Equity Share Capital**  
(Refer Note No.11)

[₹ in Lakhs]

| Particulars  | Amount Rs.      |
|--|-----------------|
| <b>Balance as on 1st April, 2023</b>                               | <b>3,750.20</b> |
| Changes in Equity Share capital due to prior period Errors         | –               |
| Restated Balance at the beginning of the previous reporting period | 3,750.20        |
| Changes in equity share capital during the year                    | –               |
| <b>Balance as on 31st March, 2024</b>                              | <b>3,750.20</b> |
| Changes in Equity Share capital due to prior period Errors         | –               |
| Restated Balance at the beginning of the previous reporting period | 3,750.20        |
| Changes in equity share capital during the year                    | –               |
| <b>Balance as on 31st March, 2025</b>                              | <b>3,750.20</b> |

**B. Other Equity** (Refer Note No.12)

[₹ in Lakhs]

| Particulars                                    | Reserves and Surplus                              |                 |                    |                              |                    | Total              |
|--|---|-----------------|--------------------|------------------------------|--------------------|--------------------|
|  | Equity share application money, Pending allotment | Capital Reserve | Securities premium | Debenture Redemption Reserve | Retained Earnings  |                    |
| <b>Balance as at 1st April, 2023</b>           | 1,600.00  | 30.93           | 6,123.70           | 321.88                       | (17,362.52)        | <b>(9,286.01)</b>  |
| Profit for the year                            | –   | –               | –                  | –                            | (533.52)           | <b>(533.52)</b>    |
| Other comprehensive income                     | –   | –               | –                  | –                            | (1.87)             | <b>(1.87)</b>      |
| <b>Total Comprehensive Income for the Year</b> | –   | –               | –                  | –                            | <b>(535.39)</b>    | <b>(535.39)</b>    |
| Transfer                                       | –   | –               | –                  | (2.16)                       | 2.16               | –                  |
| <b>Balance as at 31st March, 2024</b>          | <b>1,600.00</b>                                   | <b>30.93</b>    | <b>6,123.70</b>    | <b>319.72</b>                | <b>(17,895.75)</b> | <b>(9,821.40)</b>  |
| <b>Balance as at 1st April, 2024</b>           | <b>1,600.00</b>                                   | <b>30.93</b>    | <b>6,123.70</b>    | <b>319.72</b>                | <b>(17,895.75)</b> | <b>(9,821.40)</b>  |
| Profit for the year                            | –   | –               | –                  | –                            | (569.78)           | <b>(569.78)</b>    |
| Other comprehensive income                     | –   | –               | –                  | –                            | 1.18               | <b>1.18</b>        |
| <b>Total Comprehensive Income for the Year</b> | –   | –               | –                  | –                            | <b>(568.60)</b>    | <b>(568.60)</b>    |
| Transfer                                       | –   | –               | –                  | (9.79)                       | 9.79               | –                  |
| <b>Balance as at 31st March, 2025</b>          | <b>1,600.00</b>                                   | <b>30.93</b>    | <b>6,123.70</b>    | <b>309.93</b>                | <b>(18,454.56)</b> | <b>(10,390.00)</b> |

As per our report of even date attached

'For and on behalf of the Board of Directors' of Modern Denim Limited

**For J.T. Shah & Co.**Chartered Accountants  
(FRN No. 109616W)**[A K Panchal]**

Partner

[M.No. 116848]

Place : Ahmedabad

Date : 28/05/2025

(UDIN : 25116848BMKYUH7284)

|                    |                                |                 |
|--------------------|--------------------------------|-----------------|
| Sachin Ranka       | – Chairman & Managing Director | (DIN: 00335534) |
| Suvrat Ranka       | – Whole-Time Director          | (DIN: 08076235) |
| K.M. Ladha         | – Non-Executive Director       | (DIN: 09119472) |
| Rahul Singhvi      | – Independent Director         | (DIN: 08816920) |
| G.V. Kalpathy      | – Independent Director         | (DIN: 10512773) |
| Meenu Sacheti      | – Independent Director         | (DIN: 02266703) |
| Pankaj Kumar Sarda | – Chief Financial Officer      |                 |
| Deepak Jain        | – Company Secretary            |                 |
| Place : Abu Road   |                                |                 |
| Date : 28/05/2025  |                                |                 |

**Notes forming part of Financial Statements:**
**CORPORATE INFORMATION**

Modern Denim Limited (the Company) is a public limited company incorporated in India under the provisions of Companies Act, 1956 (the Act) having its registered office at Abu Road, Rajasthan, India. The Company is primarily engaged in the business of manufacturing denim fabric.

**Note no. 1:**
**A. MATERIAL ACCOUNTING POLICIES**
**(a) Statement of compliance**

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto notified under section 133 of the Companies Act, 2013 (to the extent applicable).

**(b) Basis of preparation**

- (i) The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value. The methods used to measure fair values are discussed in notes to financial statements.
- (ii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major estimates are discussed in Note No. 1A.

**(c) Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the functional currency of the company and the currency of the primary economic environment in which the Company operates.

**(d) Classification of assets and liabilities into current/non-current**

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

**(e) Property, Plant & Equipment (PPE)**

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of

bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year, otherwise such items are classified as inventory.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

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

**(f) Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company or the number of production or similar units expected to be obtained from the asset by the Company. Details of assets with useful life is as under:

| S. No. | Nature               | Useful life (Years) |
|--------|----------------------|---------------------|
| 1.     | Land free hold       | —                   |
| 2.     | Buildings            | 30                  |
| 3.     | Roads                | 10                  |
| 4.     | Plant & Machinery    | 15                  |
| 5.     | Furniture & Fixtures | 10                  |
| 6.     | Office Equipment     | 5                   |
| 7.     | Computers            | 3                   |
| 8.     | Vehicle              | 8                   |

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production.

Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

**(g) Inventories**

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. Cost in respect of raw material and store & spares parts are computed on FIFO basis. Cost in respect of stock of Finished goods and Work in progress are computed on weighted average basis method. Stock of Finished goods and Work in progress includes cost of conversion and other costs incurred in acquiring the inventory

and bringing them to their present location and condition.

Waste is valued at estimated net realizable value.

**(h) Cash and cash equivalent**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

**(i) Statement of Cash flows:**

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

**(j) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(k) Foreign currency transactions**

In preparing the financial statements of the Company, transactions in foreign currencies, other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which these arise.

**(l) Revenue Recognition**

**Revenue from Contacts with Customers**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the amount can be reliably measured.

Sales are recognized when the significant risks and rewards of

ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable excluding GST, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the division expects to receive in exchange for those goods or services.

The division satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the division's performance; or
2. The division's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The division's performance does not create an asset with an alternative use to the division and an entity has an enforceable right to payment for performance completed to date.

**Revenue from Job work service contracts:**

The revenue relating to Job Work service contracts are recognised at point in time as control is transferred to the customer on dispatch of goods to them and the revenue relating to supplies are measured in line with policy set out above.

**(m) Other operating revenues / other income.**

- (i) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (ii) Export Incentives are recognized in the Statement of Profit and Loss when the right to receive credit as per the terms of scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (iii) Other income is recognized on accrual basis except when realization of such income is uncertain.
- (iv) Dividend income is accounted for when the right to receive the income is established.

**(n) Employee Benefits**

**Short term employee benefits**

Short-term employee benefit obligations are recognized as an expense on accrual basis.

**Defined contribution plans**

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. provident fund and employee state insurance are defined contribution plans in which company pays a fixed contribution and will have no further obligation.

**Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Payment of Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates



approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in Other Comprehensive Income in the period in which they arise.

#### **Other long-term employee benefits**

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefits that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit and loss in the period in which they arise.

#### **(o) Income taxes**

##### **Current Tax**

Current Tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The Company has provided for the tax liability based on the significant judgment that the taxation authority will not accept the tax treatment.

##### **Deferred tax:**

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

#### **(p) Leases**

Effective from 1st April, 2019, the Company has adopted Ind AS-116 "Lease" retrospectively with the cumulative effect of applying this standard recognise at the date initial application.

Due to the same, the associated right-of-use assets are measured either at the carrying amounts as if the Standard has been applied since the commencement date or at the amount equal to the lease liability are included in and presented as "Right to use Asset" and "Other financial liabilities" respectively on the financial statements.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease term includes periods of an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Short-term leases for the underlying asset is of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.

The cumulative effects due to the application of this standard were recognized on the commencement date of adoption in accordance with the transitional arrangements, the retrospective restatement of prior periods have not been applied.

Leases are classified as finance leases, when the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

**Operating Lease:** Lease rentals are charged or recognised in the statement of profit and loss on a straight-line basis over the lease term.

**Finance Lease:** Assets held under finance leases are recognised as assets of the division at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the division's policy on borrowing costs.

#### **(q) Assets Held for Sale**

The Company classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

#### **(r) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount

of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(s) Segment reporting**

**Identification of Segments**

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system.

**Segment Policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(t) Earnings Per Share (EPS)**

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(u) Fair value Measurement**

The company measures financial instruments, such as investments and derivatives at fair value at each reporting 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 presumptions 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.

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 technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in the hierarchy as under:

- 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.

**(v) Financial instruments**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

**Classification and Subsequent Measurement: Financial assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

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

**Amortised Cost:**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of profit and loss.

**Fair Value through OCI:**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement:**

**Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

**Impairment of financial assets:**

The company assesses at each date of statement of financial position whether a financial assets or group of financial assets is impaired. In accordance of Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. As a practical expedient, the company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivables. ECL impairment loss allowances (or reversal) recognized during the period is recognized as an expense / income respectively in the statement of profit and loss. Provision for ECL is presented as deduction from carrying amount of trade receivables.

For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12 month ECL.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

The Company derecognizes financial liabilities when the Company's obligation are discharged, cancelled or have expired. The difference between the carrying amount of financial liability derecognized and consideration paid and payable is recognized in the statement of profit and loss.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

**Derecognition of Financial Liabilities:**

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

**(w) Financial liabilities and equity instruments**
**• Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**• Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

**Note no. 1A : Standards issued but not yet effective**

The Ministry of Corporate Affairs (MCA), The MCA notified Ind AS 117 on 9 September 2024 to be applicable from 1 April 2024. However, the same was withdrawn vide notification dated 28 September 2024 wherein the applicability of Ind AS 117 was made subject to notification of IRDAI. IRDAI has not notified Ind AS 117. Therefore, as of now, Ind AS 117 has been issued but from when it will be applicable is uncertain. The company is evaluating the impact of the standard on its balance sheet, statement of profit and loss and statement of cash flows.

**Note no. 1B : Significant accounting judgements, estimates and assumptions:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates made in preparing Financial Statements:**
**(a) Useful life of Property, plant and equipment and intangible assets**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

**(b) Post-employment benefit plans**

Employees benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

**(c) Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by the management regarding the probability of exposure to potential loss. If circumstances change following unforeseeable developments, this likelihood could alter.

## Notes forming part of Financial Statements

## Note No. 2

## 2A : Property, Plant &amp; Equipment

As at 31 March 2025

(₹ in Lakhs)

| Particulars          | Gross Block         |             |                            |                     | Depreciation/Amortization |                              |                            |                     | Net Block           |                     |
|----------------------|---------------------|-------------|----------------------------|---------------------|---------------------------|------------------------------|----------------------------|---------------------|---------------------|---------------------|
|                      | As at<br>01.04.2024 | Additions   | Deductions/<br>Adjustments | As at<br>31.03.2025 | As at<br>01.04.2024       | Depreciation<br>for the year | Deductions/<br>Adjustments | As at<br>31.03.2025 | As at<br>31.03.2025 | As at<br>31.03.2024 |
| Freehold Land        | 22.91               | Nil         | Nil                        | 22.91               | Nil                       | Nil                          | Nil                        | Nil                 | 22.91               | 22.91               |
| Building             | 732.92              | Nil         | Nil                        | 732.92              | 492.98                    | 50.40                        | Nil                        | 543.38              | 189.54              | 239.94              |
| Plant & Machinery    | 831.23              | Nil         | Nil                        | 831.23              | 241.49                    | 38.80                        | Nil                        | 280.29              | 550.94              | 589.74              |
| Furniture & Fixtures | 15.14               | 0.19        | Nil                        | 15.33               | 9.69                      | 0.86                         | Nil                        | 10.55               | 4.78                | 5.45                |
| Office Equipments    | 4.48                | 0.51        | Nil                        | 4.99                | 3.78                      | 0.12                         | Nil                        | 3.90                | 1.09                | 0.70                |
| Computers            | 14.75               | 1.10        | Nil                        | 15.85               | 12.06                     | 0.37                         | Nil                        | 12.43               | 3.42                | 2.69                |
| Vehicles             | 0.28                | Nil         | Nil                        | 0.28                | 0.01                      | Nil                          | Nil                        | 0.01                | 0.27                | 0.27                |
| <b>Total</b>         | <b>1621.71</b>      | <b>1.80</b> | <b>Nil</b>                 | <b>1623.51</b>      | <b>760.01</b>             | <b>90.55</b>                 | <b>Nil</b>                 | <b>850.56</b>       | <b>772.95</b>       | <b>861.70</b>       |

As at 31 March 2024

(₹ in Lakhs)

| Particulars          | Gross Block         |             |                            |                     | Depreciation/Amortization |                              |                            |                     | Net Block           |                     |
|----------------------|---------------------|-------------|----------------------------|---------------------|---------------------------|------------------------------|----------------------------|---------------------|---------------------|---------------------|
|                      | As at<br>01.04.2023 | Additions   | Deductions/<br>Adjustments | As at<br>31.03.2024 | As at<br>01.04.2023       | Depreciation<br>for the year | Deductions/<br>Adjustments | As at<br>31.03.2024 | As at<br>31.03.2024 | As at<br>31.03.2023 |
| Freehold Land        | 22.91               | Nil         | Nil                        | 22.91               | Nil                       | Nil                          | Nil                        | Nil                 | 22.91               | 22.91               |
| Building             | 732.92              | Nil         | Nil                        | 732.92              | 441.78                    | 51.20                        | Nil                        | 492.98              | 239.94              | 291.14              |
| Plant & Machinery    | 829.57              | 1.66        | Nil                        | 831.23              | 202.73                    | 38.76                        | Nil                        | 241.49              | 589.74              | 626.84              |
| Furniture & Fixtures | 17.41               | 0.08        | 2.35                       | 15.14               | 10.45                     | 1.06                         | 1.82                       | 9.69                | 5.45                | 6.96                |
| Office Equipments    | 4.48                | Nil         | Nil                        | 4.48                | 3.58                      | 0.20                         | Nil                        | 3.78                | 0.70                | 0.90                |
| Computers            | 14.75               | Nil         | Nil                        | 14.75               | 12.06                     | Nil                          | Nil                        | 12.06               | 2.69                | 2.69                |
| Vehicles             | 0.28                | Nil         | Nil                        | 0.28                | 0.01                      | Nil                          | Nil                        | 0.01                | 0.27                | 0.27                |
| <b>Total</b>         | <b>1622.32</b>      | <b>1.74</b> | <b>2.35</b>                | <b>1621.71</b>      | <b>670.61</b>             | <b>91.22</b>                 | <b>1.82</b>                | <b>760.01</b>       | <b>861.70</b>       | <b>951.71</b>       |

## (a) Assets pledged as Security

Immovable properties of the company are Secured by Equitable Mortgage of Fixed Assets both Movable &amp; Immovable.

## (b) Capitalised Borrowing Cost

Borrowing Cost Capitalised on Property, Plant and Equipment during the year Rs.Nil (PY. Rs.Nil).

## (c) Contractual Obligations

Refer Note.34 for disclosure of Contractual Commitments for the acquisition of property, Plant &amp; Equipment.

## (d) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

## (e) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

## 2B. ASSETS CLASSIFIED AS HELD FOR SALE

Statement showing assets discarded from active use and classified as held for sale.

(₹ in Lakhs)

| Particulars                      | Plant & Machinery |               |
|----------------------------------|-------------------|---------------|
| Financial Year                   | 31.03.2025        | 31.03.2024    |
| <b>Gross Block - opening</b>     | <b>218.51</b>     | <b>218.51</b> |
| Add: Addition during the year    | —                 | —             |
| Less: Deduction during the year  | 71.65             | —             |
| Less: Impairment during the year | —                 | —             |
| <b>Gross Block - Closing</b>     | <b>146.86</b>     | <b>218.51</b> |
| Less: Accumulated Depreciation   | 14.33             | 14.33         |
| <b>Net Block</b>                 | <b>132.53</b>     | <b>204.18</b> |

Assets classified as held for sale during the reporting periods were measured at the carrying value on the date of such classification which approximates fair value less cost to sell. There has been no material change in the value of such assets after the date of initial classification as "Assets classified as held for sale".

**Note No. 3 : OTHER NON CURRENT FINANCIAL ASSETS**

[₹ in Lakhs]

| PARTICULARS                       | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|-----------------------------------|---------------------------|---------------------------|
| <b>Unsecured, considered good</b> |                           |                           |
| Security Deposits                 | 2.26                      | 2.26                      |
| <b>Total</b>                      | <b>2.26</b>               | <b>2.26</b>               |

3.1 Security Deposits represents deposit with electricity board

**Note No. 4 : OTHER NON CURRENT ASSETS**

[₹ in Lakhs]

| PARTICULARS                             | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|---|---------------------------|---------------------------|
| <b>Unsecured, considered good</b>       |                           |                           |
| Advances to Suppliers for capital goods | 10.52                     | 10.52                     |
| Less : Provision for doubtful advances  | (10.52)                   | (10.52)                   |
| <b>Total</b>                            | <b>—</b>                  | <b>—</b>                  |

**4.1 Movement in each class of provision during the year**

[₹ in Lakhs]

| Particulars                             | Non-Current      |                  | Current          |                  |
|---|------------------|------------------|------------------|------------------|
|   | As at 31/03/2025 | As at 31/03/2024 | As at 31/03/2025 | As at 31/03/2024 |
| Allowance for Doubtful Capital Advances |                  |                  |                  |                  |
| Balance at the beginning                | 10.52            | Nil              | Nil              | Nil              |
| Impairment loss recognised              | Nil              | 10.52            | Nil              | Nil              |
| Impairment loss reversed                | Nil              | Nil              | Nil              | Nil              |
| Balance at the end                      | 10.52            | 10.52            | Nil              | Nil              |

**Note No. 5 : INVENTORIES**

[₹ in Lakhs]

| PARTICULARS       | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|-------------------|---------------------------|---------------------------|
| Raw Materials     | 149.46                    | 170.64                    |
| Stocks in process | 52.46                     | 199.26                    |
| Finished goods    | 1,708.55                  | 1,403.38                  |
| Stores & spares   | 37.46                     | 34.62                     |
| <b>Total</b>      | <b>1,947.93</b>           | <b>1807.90</b>            |

**Note No. 6 : TRADE RECEIVABLES**

[₹ in Lakhs]

| PARTICULARS                                    | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|--|---------------------------|---------------------------|
| Trade receivables                              | 316.88                    | 311.16                    |
| Trade receivables - Credit Impaired            | 250.44                    | 310.32                    |
| Less: Allowance for doubtful trade receivables | (151.79)                  | (189.77)                  |
| <b>Total receivables</b>                       | <b>415.53</b>             | <b>431.71</b>             |

|                     |        |        |
|---------------------|--------|--------|
| Current portion     | 415.53 | 431.71 |
| Non-current portion | —      | —      |

**Break up of security details:**

|  |               |               |
|--|---------------|---------------|
| Secured, considered good                 | —             | —             |
| Unsecured, considered good               | 316.88        | 311.16        |
| Doubtful                                 | 250.44        | 310.32        |
| <b>Total</b>                             | <b>567.32</b> | <b>621.48</b> |
| Allowance for doubtful trade receivables | (151.79)      | (189.77)      |
| <b>Total trade receivables</b>           | <b>415.53</b> | <b>431.71</b> |

6.1 Trade receivables ₹ 137.02 Lakhs (Previous year ₹ 136.76 Lakhs) are under litigation for which adequate provision has been made.

**6.2 Trade Receivable Ageing Schedule**

[₹ in Lakhs]

| 31.03.2025                                     |  |                     |              |             |               |               |
|--|--|---------------------|--------------|-------------|---------------|---------------|
| Particulars                                    | Gross Outstanding for following periods from due date of payment |                     |              |             |               |               |
|  | < 6 months   | 6 months-<br>1 year | 1-2 years    | 2-3 years   | > 3 years     | Total         |
| <b>(i) Trade receivables – considered good</b> | <b>316.88</b>  | –                   | –            | –           | –             | <b>316.88</b> |
| a. Undisputed                                  | 316.88   | –                   | –            | –           | –             | 316.88        |
| b. Disputed                                    | –  | –                   | –            | –           | –             | –             |
| <b>(ii) Trade Receivables Credit Impaired</b>  | –  | <b>54.62</b>        | <b>32.13</b> | <b>8.89</b> | <b>154.80</b> | <b>250.44</b> |
| a. Undisputed                                  | –  | 54.62               | 32.13        | 7.60        | 5.83          | 100.18        |
| b. Disputed                                    | –  | –                   | –            | 1.29        | 148.97        | 150.26        |
| <b>Total</b>                                   | <b>316.88</b>  | <b>54.62</b>        | <b>32.13</b> | <b>8.89</b> | <b>154.80</b> | <b>567.32</b> |

| 31.03.2024                                     |  |                      |              |             |               |               |
|--|--|----------------------|--------------|-------------|---------------|---------------|
| Particulars                                    | Gross Outstanding for following periods from due date of payment |                      |              |             |               |               |
|  | < 6 months   | 6 months-<br>-1 year | 1-2 years    | 2-3 years   | > 3 years     | Total         |
| <b>(i) Trade receivables – considered good</b> | <b>311.16</b>  | –                    | –            | –           | –             | <b>311.16</b> |
| a. Undisputed                                  | 311.16   | –                    | –            | –           | –             | 311.16        |
| b. Disputed                                    | –  | –                    | –            | –           | –             | –             |
| <b>(ii) Trade Receivables Credit Impaired</b>  | –  | <b>81.17</b>         | <b>34.91</b> | <b>1.01</b> | <b>193.23</b> | <b>310.32</b> |
| a. Undisputed                                  | –  | 81.17                | 34.91        | 1.01        | 56.47         | 173.56        |
| b. Disputed                                    | –  | –                    | –            | –           | 136.76        | 136.76        |
| <b>Total</b>                                   | <b>311.16</b>  | <b>81.17</b>         | <b>34.91</b> | <b>1.01</b> | <b>193.23</b> | <b>621.48</b> |

**Note No. 7 : CASH AND CASH EQUIVALENTS**

[₹ in Lakhs]

| PARTICULARS        | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|--------------------|---------------------------|---------------------------|
|                    |                           |                           |
| Cash on Hand       | 0.90                      | 0.80                      |
| Balances with Bank | 6.92                      | 29.14                     |
| <b>Total</b>       | <b>7.82</b>               | <b>29.94</b>              |

7.1 Non Cash Transactions: During the year, the company has not entered into any non cash transactions on investing and financing activities.

**Note No. 8 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

[₹ in Lakhs]

| PARTICULARS                     | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|---------------------------------|---------------------------|---------------------------|
|                                 |                           |                           |
| Margin Money Deposit with Banks | 22.08                     | 20.82                     |
| <b>Total</b>                    | <b>22.08</b>              | <b>20.82</b>              |

8.1 The Company has pledged deposits of ₹ 17.08 Lakhs (Previous Year ₹ 15.82 Lakhs) with bank as margin money for Bank Guarantee and ₹ 5.00 Lakhs (Previous Year ₹ 5.00 Lakhs) towards overdraft with bank.

**Note No. 9 : OTHER CURRENT FINANCIALS ASSETS**

[₹ in Lakhs]

| PARTICULARS      | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|------------------|---------------------------|---------------------------|
|                  |                           |                           |
| Accrued Interest | 1.43                      | 1.61                      |
| Sundry Deposits  | 50.91                     | 9.30                      |
| <b>Total</b>     | <b>52.34</b>              | <b>10.91</b>              |

**Note No. 10 : OTHER CURRENT ASSETS**

[₹ in Lakhs]

| PARTICULARS                               | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2025 | 31st March, 2024 |
| Prepaid Expenses                          | 7.66             | 9.43             |
| Advance to suppliers for goods & services | 3.59             | 6.64             |
| Advance to employees                      | 0.22             | 1.45             |
| Balance with Govt. authorities            | 264.43           | 259.03           |
| TDS Receivables                           | 0.77             | 1.43             |
| Export benefits receivable                | 8.63             | 8.82             |
| <b>Total</b>                              | <b>285.30</b>    | <b>286.80</b>    |

10.1 Advances to suppliers for goods & services are receivable in kind in next 12 months & are for business purpose.

**Note No. 11 : EQUITY SHARE CAPITAL**

[₹ in Lakhs]

| PARTICULARS   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2025 | 31st March, 2024 |
| <b>AUTHORISED</b>   |                  |                  |
| 4,00,00,000 (Previous year 4,00,00,000) Equity Share of ₹ 10/- each               | 4,000.00         | 4,000.00         |
| 20,00,000 (Previous year 20,00,000) Preference Shares of ₹ 100/- each             | 2,000.00         | 2,000.00         |
| <b>Total</b>  | <b>6,000.00</b>  | <b>6,000.00</b>  |
| <b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>   |                  |                  |
| 3,75,02,000 (Previous year 3,75,02,000) Equity Share of ₹ 10/- each fully paid up | 3,750.20         | 3,750.20         |
| <b>Total</b>  | <b>3,750.20</b>  | <b>3,750.20</b>  |

**11.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-**

| PARTICULARS                                 | As at 31st March, 2025 |                 | As at 31st March, 2024 |                 |
|---|------------------------|-----------------|------------------------|-----------------|
|   | No of Shares           | [₹ in Lakhs]    | No of Shares           | [₹ in Lakhs]    |
| Equity Shares at the beginning of the year  | 37,502,000             | 3,750.20        | 37,502,000             | 3,750.20        |
| Add : Issued during the year                | —                      | —               | —                      | —               |
| <b>Equity Shares at the end of the year</b> | <b>37,502,000</b>      | <b>3,750.20</b> | <b>37,502,000</b>      | <b>3,750.20</b> |

**11.2 Terms/rights attached to equity shares :**

- The company has only one class of equity shares having a par value of ₹ 10/- per share. Each Equity Shareholder is entitled to one vote per share on a poll.
- In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholder.

**11.3 Detail of Shares held by promoters at the end of the year**

| PARTICULARS             | As at 31st March, 2025 |                   | As at 31st March, 2024 |                   | % Change     |
|-------------------------|------------------------|-------------------|------------------------|-------------------|--------------|
|                         | No. of Shares          | % of total shares | No. of Shares          | % of total shares |              |
| Vijay Beneficiary Trust | 13,704,455             | 36.54%            | 13,704,455             | 36.54%            | 0.00%        |
| Sachin Ranka            | 3,400                  | 0.01%             | 3,400                  | 0.01%             | 0.00%        |
| Smriti Ranka            | 2,700                  | 0.01%             | 2,700                  | 0.01%             | 0.00%        |
|                         | <b>13,710,555</b>      | <b>36.56%</b>     | <b>13,710,555</b>      | <b>36.56%</b>     | <b>0.00%</b> |

**11.4 Details of Share holders holding more than 5% of Shares are as under :-**

| PARTICULARS             | As at 31st March, 2025 |                   | As at 31st March, 2024 |                   |
|-------------------------|------------------------|-------------------|------------------------|-------------------|
|                         | No of Shares           | % of Shareholding | No of Shares           | % of Shareholding |
| Vijay Beneficiary Trust | 13,704,455             | 36.54%            | 13,704,455             | 36.54%            |
| Unit Trust of India     | 6,580,255              | 17.55%            | 6,580,255              | 17.55%            |
|                         | <b>20,284,710</b>      | <b>54.09%</b>     | <b>20,284,710</b>      | <b>54.09%</b>     |

11.5 During the financial year the company has allotted Nil (P.Y. Nil) Bonus shares. The Company has neither buyback nor forfeited any amount of shares in the period of last five years.

**Note No. 12 : OTHER EQUITY**

[₹ in Lakhs]

| PARTICULARS                                       | As at              | As at             |
|---|--------------------|-------------------|
|   | 31st March, 2025   | 31st March, 2024  |
| Equity share application money, Pending allotment | 1,600.00           | 1,600.00          |
| Capital Reserve                                   | 30.93              | 30.93             |
| Securities premium                                | 6,123.70           | 6,123.70          |
| Debenture Redemption Reserve                      | 309.93             | 319.72            |
| Retained Earnings                                 | (18,454.56)        | (17,895.75)       |
| <b>Total</b>                                      | <b>(10,390.00)</b> | <b>(9,821.40)</b> |

[₹ in Lakhs]

| PARTICULARS   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2025 | 31st March, 2024 |
| <b>12.1 Equity share application money, Pending allotment</b> |                  |                  |
| Opening balance at beginning of the year                      | 1,600.00         | 1,600.00         |
| <b>Closing at end of the year</b>                             | <b>1,600.00</b>  | <b>1,600.00</b>  |

Equity share application money represents subscription pursuant to the restructuring / settlement scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities. Instruments will be issued on sanction of said Amalgamation Scheme by NCLT. Necessary increase in authorized share capital will be done at appropriate time. Based on expected approval from NCLT and expert opinion taken by the management of the company, the management is of the view that application money is not due for refund.

**12.2 Capital Reserve**

|  |              |              |
|--|--------------|--------------|
| Opening balance at beginning of the year | 30.93        | 30.93        |
| <b>Closing at end</b>                    | <b>30.93</b> | <b>30.93</b> |

Capital reserve is utilised in accordance with provision of the Act.

**12.3 Securities Premium**

|  |                 |                 |
|--|-----------------|-----------------|
| Opening balance at beginning of the year | 6,123.70        | 6,123.70        |
| Add: Addition during the year            | -               | -               |
| Less: Utilised during the year           | -               | -               |
| <b>Closing at end</b>                    | <b>6,123.70</b> | <b>6,123.70</b> |

The amount received in excess of face value of the equity shares is recognised in equity security premium.

**12.4 Debenture Redemption Reserve**

|  |               |               |
|--|---------------|---------------|
| Opening balance at beginning of the year | 319.72        | 321.88        |
| Add: Addition during the year            | -             | -             |
| Less: Transferred to Retained Earnings   | 9.79          | 2.16          |
| <b>Closing at end</b>                    | <b>309.93</b> | <b>319.72</b> |

The company is required to create a debenture redemption reserve out of the profits which is available for purpose of redemption of debentures.

**12.5 Retained Earnings**

|   |                    |                    |
|---|--------------------|--------------------|
| Opening balance at beginning of the year            | (17,895.75)        | (17,362.52)        |
| <b>Add: Profit for the year</b>                     | <b>(569.78)</b>    | <b>(533.52)</b>    |
| Add: Other Comprehensive income                     | 1.18               | (1.87)             |
| Add: Transferred from Debenture Redemption Reserve- | 9.79               | 2.16               |
| <b>Closing at end</b>                               | <b>(18,454.56)</b> | <b>(17,895.75)</b> |
| <b>Total</b>  | <b>(10,390.00)</b> | <b>(9,821.40)</b>  |

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

**Note No. 13 : NON CURRENT BORROWINGS**

[₹ in Lakhs]

| PARTICULARS                             | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2025 | 31st March, 2024 |
| Cumulative Redeemable Preference shares | 650.00           | 650.00           |
| Loans from related parties              | 6,984.00         | 6,374.00         |
| <b>Total</b>                            | <b>7,634.00</b>  | <b>7,024.00</b>  |



- 13.1** The Company has not redeemed preference share capital amounting to ₹ 650 Lakhs in view of accumulated losses. Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities. Based on expected reliefs from NCLT and expert opinion taken by the management of the company, the management is of the view that the same is not required to be redeemed and such amount is not required to be deposited in Investor Education and Protection Fund.
- 13.2** The Company has not paid interest on financial liability in respect of Cumulative Redeemable Preference Shares since 1996-1997. Provision for the same for the year amounting to ₹ 110.75 Lakhs (previous year ₹ 110.75 Lakhs), upto the Balance Sheet date ₹ 3780.86 Lakhs [which includes Dividend Distribution Tax of ₹ 569.12 Lakhs], (upto previous Balance Sheet date ₹ 3670.11 Lakhs, [which includes Dividend Distribution Tax of ₹ 569.12 Lakhs]) have not been made in view of accumulated losses. The Company is expecting waiver / relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities. Based on expected reliefs from NCLT and expert opinion taken by the management of the company, the management is of the view that unpaid dividend is not required to be transferred in Investor Education and Protection Fund.
- 13.3** The Cumulative Redeemable Preference Share holders are entitled to cumulative dividend at the rates specified. Each holder of Cumulative Redeemable Preference Share is entitled to one vote per share only on resolution placed before the company which directly affects rights attached to Cumulative Redeemable Preference Shares. Since the dividend in respect of Cumulative Redeemable Preference Shares, has not been paid for more than 2 years, Cumulative Redeemable Preference Share holders have rights to ten votes per share on every resolution placed before the company in a meeting.
- 13.4** In the event of liquidation of the Company, the holder of Cumulative Redeemable Preference Share will have priority over Equity share holder in the payment of dividend and repayment of capital.
- 13.5** Loans from related parties is interest free and received from the company covered u/s 189 of the Companies Act, 2013 in view of proposed amalgamation. Since the amount received is in connection with proposed amalgamation scheme, no terms have been specified for repayment of loans and interest. As per IND AS 109 the same is not fair valued hence Amortisation of pre received income corresponding to unwinding of financial liability under finance cost amounting to ₹ 517.63 Lakhs (previous year ₹ 441.13 Lakhs) is not provided.

**Note No. 14 : NON CURRENT PROVISIONS****[₹ in Lakhs]**

| PARTICULARS                            | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2025 | 31st March, 2024 |
| <b>Provision for Employee Benefits</b> |                  |                  |
| Provision for Gratuity (Refer Note 32) | 34.92            | 32.08            |
| Leave Encashment                       | 28.94            | 25.03            |
| <b>Total</b>                           | <b>63.86</b>     | <b>57.11</b>     |

**Note No. 15 : DEFERRED TAX LIABILITIES****[₹ in Lakhs]**

| PARTICULARS   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2025 | 31st March, 2024 |
| <b>Deferred Tax Liability</b>                         |                  |                  |
| Depreciation  | -                | -                |
| <b>Deferred Tax Asset</b>                             |                  |                  |
| Provisions allowable for Tax purpose on payment basis | -                | -                |
| Unabsorbed depreciation                               | -                | -                |
| Others (Provision for doubtful debts)                 | -                | -                |
| <b>Net Deferred Tax Liability</b>                     | <b>-</b>         | <b>-</b>         |

- 15.1** The company is entitled for set off of carried forward losses and unabsorbed depreciation against the future income under the Income Tax Act. However, as a matter of prudence, the company is not recognising the deferred tax asset as provided in the Indian Accounting Standard-12 "Income Taxes".

**Note No. 16 : CURRENT BORROWINGS****[₹ in Lakhs]**

| PARTICULARS                 | As at            | As at            |
|-----------------------------|------------------|------------------|
|                             | 31st March, 2025 | 31st March, 2024 |
| <b>Debentures - Secured</b> |                  |                  |
| - Non Convertible           | 309.93           | 319.72           |
| <b>Deposits - Unsecured</b> |                  |                  |
| - Public Fixed Deposits     | 641.48           | 652.81           |
| <b>Total</b>                | <b>951.41</b>    | <b>972.53</b>    |

- 16.1** Debentures are secured by way of joint equitable mortgage of fixed assets both present and future and hypothecation of all movable assets of the company ranking pari-pasu.
- 16.2** Non Convertible Debentures (Retail) amounting to ₹ 309.93 Lakhs (previous year ₹ 319.72 Lakhs) were redeemable on completion of 6th, 18th, 30th, 42nd and 54th months from maturity date i.e. 28th December, 1998 @ 30%, 15%, 15%, 20% and 20% of face value respectively, as per decision taken in the meeting of the debenture holders along with interest accrued thereon. Interest in respect of the same has remained unpaid since 1998-99. The Company is expecting waiver/ relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver/ relief. Based on expected reliefs from NCLT and expert opinion taken by the management of the company, the management is of the view that no amount is required to be transferred to the Investors Education and Protection Fund including interest thereon.
- 16.3** Public Fixed Deposits carry interest rate of 14 % p.a.
- 16.4** Company Law Board has passed the order on 21.12.2001 that 'The repayment of fixed deposits shall be made by the Company in accordance with the revival scheme as and when approved by BIFR under the provisions of SICA'. In view of the above, the Company has been advised that as the repayment of the matured fixed deposits including interest thereon are covered by above referred order and the Draft Rehabilitation Scheme (DRS) was pending for consideration before the Hon'ble Board for Industrial and Financial Restructure (BIFR) and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver/relief and on the basis of expert opinion taken by the management of the company, the management is of the view that no amount is required to be transferred to the Investors Education and Protection Fund. However payment on compassionate grounds are continued to be made as per decision of the committee formed by Hon'ble Company Law Board for this purpose.

**Note No. 17 : TRADE PAYABLES****[₹ in Lakhs]**

| PARTICULARS  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2025 | 31st March, 2024 |
| <b>Trade Payables</b>  |                  |                  |
| Outstanding dues of micro enterprises and small enterprises                      | 1.96             | 2.60             |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 189.41           | 232.12           |
| <b>Total</b>   | <b>191.37</b>    | <b>234.72</b>    |

**17.1** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management and the same has been relied by the auditor.

**17.2 Dues to Micro and Small Enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

| PARTICULARS  | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2025 | 31st March, 2024 |
| a. The Principal amount remaining unpaid to any supplier as at the year end  | 1.96             | 2.60             |
| b. Interest due thereon  | -                | -                |
| c. Amount of interest paid by the Company in terms of section 16 of MSMED Act  | -                | -                |
| d. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED 2006   | -                | -                |
| e. Amount of interest accrued and remaining unpaid at the end of accounting year   | -                | -                |
| f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprise Development Act, 2006. | -                | -                |

"Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

"There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year."

**17.3 Trade Payable Ageing Schedule**

[₹ in Lakhs]

| PARTICULARS           | 31.03.2025   |           |           |           |        |
|-----------------------|--|-----------|-----------|-----------|--------|
|                       | Outstanding for following periods from due date of payment |           |           |           | Total  |
|                       | < 1 year   | 1-2 years | 2-3 years | > 3 years |        |
| (i) MSME              | 1.96   | —         | —         | —         | 1.96   |
| (a) Disputed dues —   | —  | —         | —         | —         | —      |
| (b) Undisputed dues — | 1.96   | —         | —         | —         | 1.96   |
| (ii) Others           | 130.59   | 1.33      | 0.11      | 57.38     | 189.41 |
| (a) Disputed dues —   | —  | —         | —         | 41.29     | 41.29  |
| (b) Undisputed dues — | 130.59   | 1.33      | 0.11      | 16.09     | 148.12 |
| PARTICULARS           | 31.03.2024   |           |           |           |        |
|                       | Outstanding for following periods from due date of payment |           |           |           | Total  |
|                       | < 1 year   | 1-2 years | 2-3 years | > 3 years |        |
| (i) MSME              | 2.60   | —         | —         | —         | 2.60   |
| (a) Disputed dues —   | —  | —         | —         | —         | —      |
| (b) Undisputed dues — | 2.60   | —         | —         | —         | 2.60   |
| (ii) Others           | 150.83   | 0.16      | 0.05      | 81.08     | 232.12 |
| (a) Disputed dues —   | —  | —         | —         | 41.29     | 41.29  |
| (b) Undisputed dues — | 150.83   | 0.16      | 0.05      | 39.79     | 190.83 |

**Note No. 18 : OTHER CURRENT FINANCIAL LIABILITIES**

[₹ in Lakhs]

| PARTICULARS                                    | As at            | As at            |
|--|------------------|------------------|
|  | 31st March, 2025 | 31st March, 2024 |
| Interest accrued on Non Convertible Debentures | 291.46           | 291.46           |
| Interest accrued on Public Fixed Deposits      | 936.27           | 936.27           |
| Sundry deposits                                | —                | 0.25             |
| Payable towards capital goods                  | 41.04            | 41.04            |
| Payable to Employees                           | 64.27            | 60.78            |
| Other payables                                 | 72.68            | 71.88            |
| <b>Total</b>                                   | <b>1405.72</b>   | <b>1401.68</b>   |

- 18.1** Accrued interest on Non convertible debentures are secured by way of joint equitable mortgage of fixed assets both present and future and hypothecation of all movable assets of the company ranking pari-pasu.
- 18.2** Provision for interest upto Balance Sheet date ₹ 813.45 Lakhs (upto previous Balance Sheet date ₹ 804.21 Lakhs) on retails non-convertible debentures have not been made as the Company is expecting waiver / relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver / relief. Based on expected reliefs from NCLT and expert opinion taken by the management of the company, the management is of the view that no amount is required to be transferred to the Investor Education and Protection Fund.
- 18.3** Provision for interest amounting to ₹ 1544.34 Lakhs upto Balance Sheet date (up to previous Balance Sheet date ₹ 1496.1 Lakhs) on public fixed deposit has not been made as the Company is expecting waiver / relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver / relief. Based on expected reliefs from NCLT and expert opinion taken by the management of the company, the management is of the view that no amount is required to be transferred to the Investors Education and Protection Fund.
- 18.4** Compound interest, penal interest & liquidated damages have not been considered on all borrowings, amount of which is unascertainable, pending confirmation / reconciliation. The Company is expecting waiver / relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver / relief.
- 18.5** Other payables includes liabilities against expenses etc.

**Note No. 19 : OTHER CURRENT LIABILITIES**

[₹ in Lakhs]

| PARTICULARS                     | As at            | As at            |
|---------------------------------|------------------|------------------|
|                                 | 31st March, 2025 | 31st March, 2024 |
| Advance received from customers | 16.19            | 14.46            |
| Statutory Dues                  | 9.06             | 6.86             |
| <b>Total</b>                    | <b>25.25</b>     | <b>21.32</b>     |

**Note No. 20 : CURRENT PROVISIONS**

[₹ in Lakhs]

| PARTICULARS                            | As at<br>31st March, 2025 | As at<br>31st March, 2024 |
|--|---------------------------|---------------------------|
| <b>Provision for Employee Benefits</b> |                           |                           |
| Provision for Gratuity (Refer Note 32) | 3.81                      | 13.57                     |
| Leave Encashment                       | 3.12                      | 2.49                      |
| <b>Total</b>                           | <b>6.93</b>               | <b>16.06</b>              |

**Note No. 21 : REVENUE FROM OPERATIONS**

[₹ in Lakhs]

| PARTICULARS              | Year Ended<br>31st March, 2025 | Year Ended<br>31st March, 2024 |
|--------------------------|--------------------------------|--------------------------------|
| Sale of products         | 2,123.69                       | 2,321.26                       |
| Sale of Service          | –                              | 10.45                          |
| Sale of Traded Goods     | 72.11                          | 104.98                         |
| Other operating Revenues | 41.36                          | 67.21                          |
| <b>Total</b>             | <b>2,237.16</b>                | <b>2,503.90</b>                |

**a. Reconciliation of Revenue recognised in the statement of profit and loss with the Contracted price :-**

|  |                 |                 |
|--|-----------------|-----------------|
| <b>21.1 Particulars of sale of products</b>        |                 |                 |
| Denim Fabric                                       | 1,981.44        | 2,308.17        |
| Yarn   | 152.81          | 26.85           |
| Other  | 1.54            | 0.71            |
| Waste  | 10.84           | 12.79           |
|  | <b>2,146.63</b> | <b>2,348.52</b> |
| Less: Rebate and Discount                          | 22.94           | 27.26           |
|  | <b>2,123.69</b> | <b>2,321.26</b> |
| <b>21.2 Particulars of sale of services</b>        |                 |                 |
| Job work Income                                    | –               | 10.45           |
|  | <b>–</b>        | <b>10.45</b>    |
| <b>21.3 Particulars of sale of traded goods</b>    |                 |                 |
| Yarn   | 72.11           | 62.28           |
| Fuel   | –               | 42.70           |
|  | <b>72.11</b>    | <b>104.98</b>   |
| <b>21.4 Particulars of other operating revenue</b> |                 |                 |
| Scrap Sales  | 2.67            | 44.31           |
|  | <b>2.67</b>     | <b>44.31</b>    |
| <b>Total</b>                                       | <b>2,198.47</b> | <b>2,481.00</b> |

**b. Reconciliation of Revenue from operation with Revenue from contracts with Customers :-**

|  |                 |                 |
|--|-----------------|-----------------|
| Revenue from operation                       | 2,237.16        | 2,503.90        |
| Less: Export Incentive                       | (38.69)         | (22.90)         |
| <b>Revenue from contracts with Customers</b> | <b>2,198.47</b> | <b>2,481.00</b> |

**Note No. 22 : OTHER INCOME**

[₹ in Lakhs]

| PARTICULARS  | Year Ended<br>31st March, 2025 | Year Ended<br>31st March, 2024 |
|--|--------------------------------|--------------------------------|
| Interest Income                                    | 1.71                           | 1.35                           |
| Interest Income on Income Tax Refund               | 0.05                           | 0.14                           |
| Liabilities and sundry balances written back (net) | 26.38                          | 11.77                          |
| Provision for Doubtful Debt written Back           | 39.46                          | –                              |
| Miscellaneous receipts                             | 0.01                           | 0.07                           |
| <b>Total</b>                                       | <b>67.61</b>                   | <b>13.33</b>                   |

22.1 As per IND AS 109 the Borrowing is not fair valued hence Unwinding Interest income amounting to ₹ 517.63 Lakhs (P.Y ₹ 441.13 Lakhs) is not recognised.

**Note No. 23 : COST OF MATERIALS CONSUMED**

[₹ in Lakhs]

| PARTICULARS                                | Year Ended<br>31st March, 2025 | Year Ended<br>31st March, 2024 |
|--|--------------------------------|--------------------------------|
| Raw materials at the beginning of the year | 170.64                         | 117.72                         |
| Add: Purchases (Net)                       | 1,602.39                       | 1,778.14                       |
| Less: Raw material at the end of the year  | 149.46                         | 170.64                         |
| <b>Total cost of material consumed</b>     | <b>1,623.57</b>                | <b>1,725.22</b>                |

**Note No. 24 : PURCHASE OF STOCK-IN-TRADE**

[₹ in Lakhs]

| PARTICULARS  | Year Ended       | Year Ended       |
|--------------|------------------|------------------|
|              | 31st March, 2025 | 31st March, 2024 |
| Yarn         | 70.41            | 61.13            |
| Fuel         | –                | 40.17            |
| <b>Total</b> | <b>70.41</b>     | <b>101.30</b>    |

**Note No. 25 : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS**

[₹ in Lakhs]

| PARTICULARS                              | Year Ended       | Year Ended       |
|--|------------------|------------------|
|  | 31st March, 2025 | 31st March, 2024 |
| Inventories at the beginning of the year |                  |                  |
| Stock in process                         | 199.26           | 297.14           |
| Finished goods                           | 1403.38          | 1197.43          |
| <b>Sub Total (A)</b>                     | <b>1602.64</b>   | <b>1494.57</b>   |
| Inventories at the end of the year       |                  |                  |
| Stock in process                         | 52.46            | 199.26           |
| Finished goods                           | 1708.55          | 1403.38          |
| <b>Sub Total (B)</b>                     | <b>1761.01</b>   | <b>1602.64</b>   |
| <b>Total (A-B)</b>                       | <b>(158.37)</b>  | <b>(108.07)</b>  |

**Note No. 26 : EMPLOYEE BENEFIT EXPENSES**

[₹ in Lakhs]

| PARTICULARS                                     | Year Ended       | Year Ended       |
|---|------------------|------------------|
|   | 31st March, 2025 | 31st March, 2024 |
| Salaries, Wages, Gratuity, bonus and Allowances | 472.65           | 446.01           |
| Contribution to P.F. and other Funds            | 19.51            | 18.82            |
| Staff & Labour Welfare                          | 1.22             | 1.16             |
| <b>Total</b>                                    | <b>493.38</b>    | <b>465.99</b>    |

**Note No. 27 : FINANCE COST**

[₹ in Lakhs]

| PARTICULARS             | Year Ended       | Year Ended       |
|-------------------------|------------------|------------------|
|                         | 31st March, 2025 | 31st March, 2024 |
| Other Interest Expenses | 2.62             | 5.19             |
| <b>Total</b>            | <b>2.62</b>      | <b>5.19</b>      |

- 27.1 Provision for interest for the year ₹ 9.24 Lakhs (Previous year ₹ 37.82 Lakhs) on retail non-convertible debentures have not been made as the Company was expecting waiver / relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver / relief.
- 27.2 Provision for interest amounting to ₹ 48.23 Lakhs for the year (Previous year ₹ 85.64 Lakhs) on public fixed deposit has not been made as the Company was expecting waiver / relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver / relief.
- 27.3 Provision for interest on financial liabilities amounting to ₹ 110.75 Lakhs for the year (Previous year ₹ 110.75 Lakhs) on cumulative redeemable preference shares has not been made as the Company was expecting waiver / relief under rehabilitation scheme submitted to BIFR and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities seeking the said waiver / relief.
- 27.4 As per IND AS 109 the Non-Current borrowing is not fair valued and hence Amortisation of pre received income corresponding to unwinding of financial liability under finance cost amounting to ₹ 517.63 Lakhs (previous year ₹ 441.13 Lakhs) is not provided.

**Note No. 28 : OTHER EXPENSES**

[₹ in Lakhs]

| <b>PARTICULARS</b>   | <b>Year Ended<br/>31st March, 2025</b> | <b>Year Ended<br/>31st March, 2024</b> |
|--|--|--|
| <b>Manufacturing Expenses</b>  |  |  |
| Power  | 193.82                                 | 250.80                                 |
| Fuel Consumption   | 84.80                                  | 95.07                                  |
| Stores & Spares Consumption  | 28.16                                  | 39.31                                  |
| Packing  | 9.98                                   | 7.97                                   |
| Job Charges  | 83.09                                  | 38.21                                  |
| Repairs & Maintenance:   |  |  |
| Plant & Machinery  | 3.43                                   | 4.89                                   |
| Buildings  | 0.14                                   | 2.35                                   |
| Others   | 3.03                                   | 3.20                                   |
| <b>SubTotal</b>  | <b>406.45</b>                          | <b>441.80</b>                          |
| <b>Administrative Expenses</b>   |  |  |
| Office Rent  | 30.00                                  | 30.00                                  |
| Insurance (Net)  | 11.16                                  | 14.97                                  |
| Rates & Taxes  | 1.96                                   | 1.87                                   |
| Travelling & Conveyance  | 31.33                                  | 40.38                                  |
| Legal & Professional Expenses  | 69.93                                  | 67.41                                  |
| Directors Sitting fees and Expenses  | 0.39                                   | 0.13                                   |
| Telecommunication Expenses   | 1.56                                   | 1.67                                   |
| Bank charges   | 4.71                                   | 3.83                                   |
| Loss on Sale of Property, Plant and Equipment  | 52.85                                  | 0.42                                   |
| Payment to Auditors :  |  |  |
| for Audit fee  | 2.00                                   | 2.00                                   |
| for Tax Audit fee  | 1.00                                   | 1.00                                   |
| for Other Consultancy & Expenses   | 1.03                                   | 0.85                                   |
| for Certification  | 0.43                                   | 0.43                                   |
|  | 4.46                                   | 4.28                                   |
| Provision for Doubtful Advances  | —                                      | 10.52                                  |
| Miscellaneous expenses   | 16.65                                  | 20.88                                  |
| (Including Printing & Stationery, Postage, Rectruitment, Advertisement Exp & Others) |  |  |
| <b>SubTotal</b>  | <b>225.00</b>                          | <b>196.36</b>                          |
| <b>Selling Expenses</b>  |  |  |
| Commission   | 16.59                                  | 23.99                                  |
| Carriage outward (Net)   | 48.08                                  | 53.74                                  |
| Provision for Expected Credit Loss(ECL : Refer Note 38(i)(d))                        | 1.48                                   | (2.49)                                 |
| Sundry Debtors Written Off   | 39.46                                  | —                                      |
| Sales Promotion  | 15.33                                  | 56.50                                  |
| <b>SubTotal</b>  | <b>120.94</b>                          | <b>131.74</b>                          |
| <b>Total</b>   | <b>752.39</b>                          | <b>769.90</b>                          |

**Note No. 29 : INCOME TAX**

i) Tax expense recognised in Statement of Profit and Loss

[₹ in Lakhs]

| <b>PARTICULARS</b>  | <b>Year Ended<br/>31st March, 2025</b> | <b>Year Ended<br/>31st March, 2024</b> |
|---|--|--|
| Statement of Profit and Loss                                  |  |  |
| Current tax for the year                                      | —                                      | —                                      |
| Deferred tax for the year                                     | —                                      | —                                      |
| Income tax expense recognised in Statement of Profit and Loss | —                                      | —                                      |

ii) Reconciliation of effective tax rate

[₹ in Lakhs]

| <b>PARTICULARS</b>  | <b>Year Ended<br/>31st March, 2025</b> | <b>Year Ended<br/>31st March, 2024</b> |
|---|--|--|
| Profit/(loss) before tax  | (569.78)                               | (533.52)                               |
| Enacted tax rate in India   | 34.944%                                | 34.944%                                |
| Current tax expenses on profit before tax at the enacted income tax rate in India | —                                      | —                                      |
| Tax effect of Income set off from brought forward losses                          | —                                      | —                                      |
| Total tax expenses in the statement of profit and loss account                    | —                                      | —                                      |
| Effective Tax rate  | —                                      | —                                      |

- iii) Deferred Tax Asset for Carried Forward unused tax losses have not been recognised in absence of convincing evidence that sufficient taxable profit will be available against which such unused tax losses can be utilised.
- iv) Provision for income tax has not been made in view of losses in current financial year as well as brought forward losses/unabsorbed depreciation relating to earlier years available for set off while computing income under the provisions of Income Tax Act, 1961.

**Note No. 30 : STATEMENT OF OTHER COMPREHENSIVE INCOME**

[₹ in Lakhs]

| PARTICULARS  | Year Ended<br>31st March, 2025 | Year Ended<br>31st March, 2024 |
|--|--------------------------------|--------------------------------|
| i) <b>Items that will not be reclassified to profit and loss</b>                               |                                |                                |
| Remeasurement of defined benefit plans   |                                |                                |
| Actuarial gain/(loss)  | 1.18                           | (1.87)                         |
| ii) <b>Income tax relating to these items that will not be reclassified to profit and loss</b> |                                |                                |
| Deferred tax impact on actuarial gain/(loss)   | —                              | —                              |
| <b>Total</b>   | <b>1.18</b>                    | <b>(1.87)</b>                  |

**Note No. 31 : EARNINGS PER SHARE (EPS)**

| PARTICULARS  | Units      | Year Ended<br>31st March, 2025 | Year Ended<br>31st March, 2024 |
|--|------------|--------------------------------|--------------------------------|
| a) Profit for the year attributable to Equity Shareholders (For Basic EPS and Diluted EPS)   | ₹ In Lakhs | (569.78)                       | (533.52)                       |
| b) Weighted average number of equity shares used as the denominator in computing BEPS        | In Nos.    | 3,75,02,000                    | 3,75,02,000                    |
| c) Weighted average number of equity shares used as the denominator in computing Diluted EPS | In Nos.    | 5,35,02,000                    | 5,35,02,000                    |
| d) Nominal value per share   | In ₹       | 10.00                          | 10.00                          |
| e) Earnings Per Share:   |            |                                |                                |
| - Basic  | In ₹       | (1.52)                         | (1.42)                         |
| - Diluted  | In ₹       | (1.52)                         | (1.42)                         |

31.1 The earning per share is calculated without considering the impact, if any, on account of Compromise, Arrangement and Amalgamation Scheme u/s 230-232 of the Companies Act, 2013, which is under process of approvals from concerned authorities.

**Note no. 32 : EMPLOYEE BENEFIT****A) Defined contribution plan**

During the year company has recognised the following amounts in the statement of profit and loss account.

[₹ in Lakhs]

| Particulars                      | 2024-25      | 2023-24      |
|----------------------------------|--------------|--------------|
| <b>Benefits (Contributed to)</b> |              |              |
| Provident Fund                   | 18.79        | 17.98        |
| Employee State Insurance         | 0.72         | 0.84         |
| <b>Total</b>                     | <b>19.51</b> | <b>18.82</b> |

**B) Defined benefits plan****Gratuity**

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation :**

[₹ in Lakhs]

| Particulars  | 31st March, 2025 | 31st March, 2024 |
|--|------------------|------------------|
| Present Value of obligation as at the beginning of the year  | 45.65            | 38.41            |
| Current service cost   | 5.56             | 5.38             |
| Interest cost  | 3.30             | 2.82             |
| Past Service Cost  | —                | —                |
| Actuarial (gain)/loss  | (1.18)           | 1.87             |
| Benefit paid   | (14.59)          | (2.83)           |
| <b>Present value of obligation as at the end of the year</b> | <b>38.73</b>     | <b>45.65</b>     |

**Changes in the fair value of plan assets**

[₹ in Lakhs]

| Particulars   | 31st March, 2025 | 31st March, 2024 |
|---|------------------|------------------|
| <b>Fair value of plan assets as at the beginning of the year</b>          | —                | —                |
| Return on plan assets (excluding amount included in net Interest expense) | —                | —                |
| Interest income   | —                | —                |
| Employer's contributions  | —                | —                |
| Benefits paid   | —                | —                |
| <b>Fair value of plan assets as at the end of the year</b>                | <b>—</b>         | <b>—</b>         |

| <b>Amount recognized in the balance sheet:</b>  |                         |                         | [₹ in Lakhs] |
|---|-------------------------|-------------------------|--------------|
| <b>Particulars</b>  | <b>31st March, 2025</b> | <b>31st March, 2024</b> |              |
| Present value of defined benefit obligation   | 38.73                   | 45.65                   |              |
| Fair value of plan assets   | —                       | —                       |              |
| <b>Net liability</b>  | <b>38.73</b>            | <b>45.65</b>            |              |
| <b>Amounts shown in the balance sheet</b>   |                         |                         |              |
| Current Liabilities   | 3.81                    | 13.57                   |              |
| Non-current liabilities   | 34.92                   | 32.08                   |              |
| <b>Net liability</b>  | <b>38.73</b>            | <b>45.65</b>            |              |
| <b>Amount recognized in Profit and Loss:</b>  |                         |                         | [₹ in Lakhs] |
| <b>Particulars</b>  | <b>31st March, 2025</b> | <b>31st March, 2024</b> |              |
| Current service cost  | 5.56                    | 5.38                    |              |
| Past service cost   | —                       | —                       |              |
| Interest cost   | 3.30                    | 2.82                    |              |
| <b>Total amount recognized in Profit and Loss:</b>  | <b>8.86</b>             | <b>8.20</b>             |              |
| <b>Amount recognized in other comprehensive income:</b>   |                         |                         | [₹ in Lakhs] |
| <b>Particulars</b>  | <b>31st March, 2025</b> | <b>31st March, 2024</b> |              |
| Actuarial (Gain)/Loss on Obligation   | (1.18)                  | 1.87                    |              |
| Return on Plan Assets excluding net Interest  | —                       | —                       |              |
| <b>Total Actuarial (Gain)/Loss recognised in other comprehensive income</b>                                     | <b>(1.18)</b>           | <b>1.87</b>             |              |
| <b>Actuarial (Gain)/Loss on obligation consists:</b>  |                         |                         | [₹ in Lakhs] |
| <b>Particulars</b>  | <b>31st March, 2025</b> | <b>31st March, 2024</b> |              |
| Actuarial (gain)/loss arising from change in demographic assumption   | —                       | —                       |              |
| Actuarial (gain)/loss arising from change in financial assumption   | —                       | —                       |              |
| Actuarial (gain)/loss arising from change in experience adjustment on plan liabilities                          | 1.18                    | 1.87                    |              |
| <b>Total Actuarial (Gain)/Loss on obligation</b>  | <b>1.18</b>             | <b>1.87</b>             |              |
| <b>Information for funded plans with a defined benefit obligation less than plan assets:</b>                    |                         |                         | [₹ in Lakhs] |
| <b>Particulars</b>  | <b>31st March, 2025</b> | <b>31st March, 2024</b> |              |
| Defined benefit obligation  | 38.73                   | 45.65                   |              |
| Fair value of plan assets   | —                       | —                       |              |
| <b>Net Liability/(Assets)</b>   | <b>38.73</b>            | <b>45.65</b>            |              |
| <b>Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:</b> |                         |                         | [₹ in Lakhs] |
| <b>Particulars</b>  | <b>31st March, 2025</b> | <b>31st March, 2024</b> |              |
| <b>Present value of obligation as at year ended</b>   | <b>38.73</b>            | <b>45.65</b>            |              |
| Fair value of plan assets at year end   | —                       | —                       |              |
| Funded status excess of actual over estimated.  | (38.73)                 | (45.65)                 |              |
| <b>Assets/(Liabilities) recognized in the Balance Sheet</b>   | <b>(38.73)</b>          | <b>(45.65)</b>          |              |

### C) Defined benefit obligation

#### i) Actuarial assumption

| <b>The following were the principal actuarial assumptions at the reporting date.</b> |                               |                         | [₹ in Lakhs] |
|--|-------------------------------|-------------------------|--------------|
| <b>Particulars</b>   | <b>31st March, 2025</b>       | <b>31st March, 2024</b> |              |
| <b>Discount rate*</b>  | <b>6.79%</b>                  | <b>7.23%</b>            |              |
| <b>Expected return on plan assets</b>  |                               |                         |              |
| Gratuity   | NA                            | NA                      |              |
| Leave encashment   |                               |                         |              |
| <b>Salary escalation rate**</b>  | <b>6.00%</b>                  | <b>6.00%</b>            |              |
| <b>Mortality rate inclusive of provision for disability</b>                          | <b>100% of IALM (2012-14)</b> |                         |              |

\* The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds.

\*\* The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



**ii) Expected contribution for the next Annual reporting period:**

[₹ in Lakhs]

| Particulars   | 31st March, 2025 | 31st March, 2024 |
|---|------------------|------------------|
| Service Cost  | 6.00             | 5.77             |
| Net Interest Cost                                     | 2.63             | 3.30             |
| Expected Expense for the next annual reporting period | <u>8.63</u>      | <u>9.07</u>      |

**iii) Sensitivity analysis**

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have effected the defined benefit obligation by the amount shown below.

[₹ in Lakhs]

| Particulars                            | 31st March, 2025 |               |
|--|------------------|---------------|
|  | Increase         | Decrease      |
| Discount rate (0.5% movement)          | (1.69)           | 1.84          |
| Salary escalation rate (0.5% movement) | <u>1.39</u>      | <u>(1.31)</u> |

**iv) Expected Maturity analysis of the defined benefits plan in future years**

[₹ in Lakhs]

| Particulars | First Year | Second year | Third to fifth year | More than 5 Years |
|-------------|------------|-------------|---------------------|-------------------|
| Gratuity    | 3.81       | 4.91        | 9.07                | 20.94             |

**v) Risk exposure**

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

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

**D) Long Term Employee Benefit****Leave encashment**

The company has a policy to pay leave encashment. Every employee is entitled to claim leave encashment after his/her retirement/termination which is calculated based upon no. of leaves earned. The company has a total provision for leave encashment as on 31st March, 2025 ₹ 32.06 Lakhs and as on 31st March, 2024 ₹ 27.52 Lakhs. Total expenses provided during the year 2024-25 is ₹7.5 Lakhs and for the year 2023-24 is ₹ 7.77 Lakhs. This includes Current Service cost of ₹ 5.34 Lakhs for the year 2024-25 and ₹ 4.97 Lakhs for the year 2023-24 based on actuarial valuation.

**Note no. 33 : Related party disclosures****a) Name of related parties and description of relationship****i) Company which exercises significant influence**

Modern Insulators Ltd.

**ii) Key Management Personnel**

|                     |   |
|---------------------|---|
| Shri Sachin Ranka   | - Chairman & Managing Director                |
| Shri Suvrat Ranka   | - Whole Time Director                         |
| Shri C.S. Jain      | - Chief Financial Officer (upto 21.03.2025)   |
| Shri Pankaj Sarda   | - Chief Financial Officer (w.e.f. 22.03.2025) |
| Ms Harshita Hetawal | - Company Secretary (upto 17.06.2024)         |
| Shri Deepak Jain    | - Company Secretary (w.e.f. 21.10.2024)       |

**(iii) Relatives of the key managerial personnel & their enterprises where transaction have taken place**

Modern Metal Cost Pvt. Ltd.

Smt. Sanjana Ranka- Wife of Whole Time Director

**iv) Independent director/Non Executive director**

|   |                        |
|---|------------------------|
| Smt. Meenu Sancheti                                     | Independent Director   |
| Shri Rahul Singhvi                                      | Independent Director   |
| Shri Ganpathy Vishwanathan Kalpathy (w.e.f. 17.02.2024) | Independent Director   |
| Shri K. M. Ladha  | Non-Executive Director |

## b) The following transactions were carried out with the related parties during the year :-

[₹ in Lakhs]

| Description of the nature of the transactions                                  | Name   | Volume of transactions      |                             | Balance Outstanding    |                        |
|--|--|-----------------------------|-----------------------------|------------------------|------------------------|
|  |  | Year ended 31st March, 2025 | Year ended 31st March, 2024 | As at 31st March, 2025 | As at 31st March, 2024 |
| <b>a) Company which exercises significant influence</b>                        |  |                             |                             |                        |                        |
| Purchase of goods  | Modern Terry Towels (A Unit of Modern Insulators Ltd.) | 49.58                       | 43.87                       | —                      | —                      |
| Sale of goods (Net of return)  |  | 46.98                       | 80.29                       | —                      | —                      |
| Job charges  |  | 2.07                        | —                           | —                      | —                      |
| Rent   |  | 35.40                       | 35.40                       | —                      | —                      |
| Reimbursement of Power Expenses  |  | 180.05                      | 243.67                      | —                      | —                      |
| Reimbursement of other expenses (Net)  |  | 0.36                        | (3.66)                      | —                      | —                      |
| Loan taken   | Modern Insulators Ltd.                                 | 740.00                      | 660.00                      | 6984.00                | 6374.00                |
| Loan Repaid back   |  | 130.00                      | 225.00                      | —                      | —                      |
| Sale of goods (Net of return)  |  | 0.22                        | —                           | —                      | —                      |
| Reimbursement of expenses  |  | —                           | —                           | —                      | —                      |
| <b>(ii) Key managerial personnel</b>   |  |                             |                             |                        |                        |
| Remuneration & Contribution to Fund  | Shri Suvrat Ranka                                      | 31.70                       | 31.70                       | 2.64                   | 2.64                   |
|  | Shri C.S. Jain   | 11.43                       | 13.91                       | —                      | 1.22                   |
|  | Shri Pankaj Sarda                                      | 0.37                        | —                           | 0.37                   | —                      |
|  | Ms Harshita Hetawal                                    | 0.41                        | 1.26                        | —                      | 0.16                   |
|  | Shri Deepak Jain                                       | 7.47                        | —                           | 1.39                   | —                      |
| <b>(iii) Relatives of the key managerial personnel &amp; their enterprises</b> |  |                             |                             |                        |                        |
| Loan Given   | Modern Metalcast Pvt. Ltd.                             | —                           | 3.00                        | —                      | —                      |
| Loan Received Back   |  | —                           | 3.00                        | —                      | —                      |
| Remuneration *   | Smt. Sanjana Ranka                                     | 14.41                       | 14.41                       | 1.20                   | 1.20                   |
| <b>(iv) Independent Director /Non Executive Director</b>                       |  |                             |                             |                        |                        |
| Sitting fees paid to Independent Directors                                     | Shri Rahul Singhvi                                     | 0.26                        | 0.08                        | —                      | —                      |
|  | Shri G.V. Kalpathy                                     | 0.08                        | —                           | —                      | —                      |
|  | Smt. Meenu Sancheti                                    | 0.05                        | 0.05                        | —                      | —                      |

Note : Purchase, Sales and Expenses are shown including GST

**Terms and conditions:**

All the transactions were made on normal commercial terms and conditions and at market rates.

Decision relating to remuneration to key management personnel were taken based on the recommendation of Nomination and Remuneration committee

\*Expenses towards gratuity and leave encashment are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in above information.

**Note no. 34 : Contingent Liabilities****Contingent liabilities to the extent not provided for in respect of**

[₹ in Lakhs]

| Particulars  | 31st March, 2025 | 31st March, 2024 |
|--|------------------|------------------|
| <b>Claims against company not acknowledged as Debts:-</b>  |                  |                  |
| a) Guarantee given by the Bank on behalf of the Company to Custom department   | 7.82             | 7.82             |
| b) Claims and liabilities against the Company not acknowledged as<br>- Payment made ₹ 91.79 Lakhs (Previous year ₹ 50.00 Lakhs)<br>Which are shown under "Trade Payable" as Liability net of Payments.                       | 926.95           | 910.84           |
| c) Income Tax (TDS) demand   | 0.65             | 1.16             |
| d) Goods and Service Tax Demand against which company have paid ₹ 3.29 Lakhs (P.Y. ₹ 3.47 Lakhs)<br>under protest and shown under "Other current assets : Balance with Govt. Authority)                                      | 36.21            | 39.95            |
| e) Demand towards Damages & Interest on Employee Provident Fund  | 1.49             | —                |
| f) There are certain pending labour cases against the Company, for which amount is not ascertainable.  |                  |                  |
| g) In respect of restructured debts, future payment obligation are to be fulfilled as stipulated, failing which the original liability will fall back with interest and penal interest amount of which is not ascertainable. |                  |                  |

**Note no. 35 : Segment Reporting**

The Company's management, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and accordingly, based on the principles for determination of segments given in Indian Accounting Standard 108 "Operating Segments" and in the opinion of management the Company is primarily engaged in the business of manufacturing of "Denim Fabric". All other activities of the Company revolve around the main business and as such there is no separate reportable business segment.

The company has identified geographical segment as its secondary business segment, the details are as follows:

[₹ in Lakhs]

| Particulars   | India   |         | Rest of the world |         | Total   |         |
|---|---------|---------|-------------------|---------|---------|---------|
|   | 2024-25 | 2023-24 | 2024-25           | 2023-24 | 2024-25 | 2023-24 |
| Segment Revenue   | 1576.16 | 2118.00 | 661.00            | 385.90  | 2237.16 | 2503.90 |
| Additions to Property, Plant & Equipments including intangible Assets | 1.80    | 1.74    | —                 | —       | 1.80    | 1.74    |

|                           | [₹ in Lakhs]            |                         |
|---------------------------|-------------------------|-------------------------|
| <b>Non Current Assets</b> | <b>As at 31/03/2025</b> | <b>As at 31/03/2024</b> |
| In India                  | —                       | —                       |
| Rest of the world         | —                       | —                       |
| <b>Total</b>              | <b>—</b>                | <b>—</b>                |

Details of customer contributing 10% or more of total revenue:

| <b>Particulars</b>  | <b>2024-25</b> | <b>2023-24</b> |
|---|----------------|----------------|
| No. of customers contributing 10% or more of total revenue (individually) | 1              | —              |
| Amount of revenue [₹ in Lakhs]  | 339.39         | —              |
| % of total revenue  | 15.17          | —              |

**Note no. 36 : Capital Commitments**

There is total capital commitment of ₹ 82.60 Lakhs as on 31.03.2025 (Previous year ₹ 82.60 Lakhs), against which company has paid ₹ 10.52 Lakhs (P.Y. ₹ 10.52 Lakhs).

**Note no. 37 : Capital Management**

For the purpose of Company's Capital Management, capital includes issued equity share capital and other equity reserves attributable to equity holders. The primary objective of Company's Capital Management is to maximize shareholder's wealth. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholder. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The management and the Board of Directors monitors the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**Note no. 38 : Financial Risk Management**

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board. The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade & other receivables and cash and short term deposits.

**i) Credit risk**

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

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. 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 recognized as income in the statement of profit and loss.

The company has assessed that credit risk on loans and other financial assets is insignificant based on the empirical data. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**a) Carrying amount of maximum credit risk as on reporting date**

|  | [₹ in Lakhs]    |                         |                         |
|--|-----------------|-------------------------|-------------------------|
| <b>Particulars</b>   | <b>Note No.</b> | <b>31st March, 2025</b> | <b>31st March, 2024</b> |
| <b>Financial assets for which loss allowance is measured using 12 month Expected Credit Loss (ECL)</b> |                 |                         |                         |
| Other Non-Current Financial Assets   | 3               | 2.26                    | 2.26                    |
| Current Investment   |                 |                         |                         |
| Cash & Cash Equivalent   | 7               | 7.82                    | 29.94                   |
| Bank balances other than cash and cash equivalents   | 8               | 22.08                   | 20.82                   |
| Other Current Financial Assets   | 9               | 52.34                   | 10.91                   |
|  |                 | <b>84.50</b>            | <b>63.93</b>            |
| <b>Financial assets for which loss allowance is measured using Lifetime Expected Credit Loss (ECL)</b> |                 |                         |                         |
| Trade Receivables  | 6               | 415.53                  | 431.71                  |
| <b>Total</b>   |                 | <b>500.03</b>           | <b>495.64</b>           |

**b) Provision for Expected Credit Loss**

(i) Financial assets for which loss allowance is measured using 12 month expected credit losses:

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

(ii) Financial assets for which loss allowance is measured using life time expected credit losses:

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**c) Ageing of trade receivables**

The Ageing of trade receivables is as below:

[₹ in Lakhs]

| Ageing                                       | Not Due | 0-180<br>days past due | 181-365<br>days past due | 1-3 years<br>past due | More than 3<br>years past Due | Total  |
|--|---------|------------------------|--------------------------|-----------------------|-------------------------------|--------|
| Gross Carrying amount as on 31st March, 2025 | 146.24  | 170.64                 | 54.62                    | 41.02                 | 154.80                        | 567.32 |
| Impairment loss recognised on above          | —       | —                      | 0.55                     | 2.09                  | 149.15                        | 151.79 |
| Gross Carrying amount as on 31st March, 2024 | 183.47  | 127.67                 | 81.17                    | 35.92                 | 193.25                        | 621.48 |
| Impairment loss recognised on above          | —       | —                      | 0.81                     | 0.72                  | 188.24                        | 189.77 |

**(d) Reconciliation of Impairment loss Provision of doubtful debts**

The Movement in allowance for bad and doubtful debts

[₹ in Lakhs]

| Particulars                | 31st March, 2025 | 31st March, 2024 |
|----------------------------|------------------|------------------|
| <b>Opening Balance</b>     | <b>189.77</b>    | <b>192.25</b>    |
| Impairment Loss recognised | <b>1.48</b>      | <b>0.77</b>      |
| Amount Written off         | —                | —                |
| Impairment Loss Reversal   | <b>(39.46)</b>   | <b>(3.25)</b>    |
| <b>Closing Balance</b>     | <b>151.79</b>    | <b>189.77</b>    |

The percentage of revenue from its top five customers is 50.15 % for the year (previous year 43.94 %).

**ii) 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 to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The following are the contractual maturities of financial liabilities based on contractual cash flows

As at 31st March, 2025

[₹ in Lakhs]

| Particulars                         | Note No. | 12 months<br>or less | 1-2 years | 2-5 years | More than<br>5 years | Total            |
|-------------------------------------|----------|----------------------|-----------|-----------|----------------------|------------------|
| Non-current Borrowing               | 13       | —                    | —         | —         | 7,634.00             | 7,634.00         |
| Current Borrowing                   | 16       | 951.41               | —         | —         | —                    | 951.41           |
| Trade payable                       | 17       | 191.37               | —         | —         | —                    | 191.37           |
| Other Current financial liabilities | 18       | 1,405.72             | —         | —         | —                    | 1,405.72         |
| <b>Total</b>                        |          | <b>2,548.50</b>      | <b>—</b>  | <b>—</b>  | <b>7,634.00</b>      | <b>10,182.50</b> |

As at 31st March, 2024

[₹ in Lakhs]

| Particulars                         | Note No. | 12 months<br>or less | 1-2 years | 2-5 years | More than<br>5 years | Total           |
|-------------------------------------|----------|----------------------|-----------|-----------|----------------------|-----------------|
| Non-current Borrowing               | 13       | —                    | —         | —         | 7,024.00             | 7,024.00        |
| Current Borrowing                   | 16       | 972.53               | —         | —         | —                    | 972.53          |
| Trade payable                       | 17       | 234.72               | —         | —         | —                    | 234.72          |
| Other Current financial liabilities | 18       | 1,401.68             | —         | —         | —                    | 1,401.68        |
| <b>Total</b>                        |          | <b>2,608.93</b>      | <b>—</b>  | <b>—</b>  | <b>7,024.00</b>      | <b>9,632.93</b> |

**iii) Market Risk**

Market Risk mainly relates to the investment & deposits. There is no regular business of company for making investment & deposits. However, management manage the cash resources, borrowings strategies and ensuring compliance of the same with the guidelines & directions of the Higher Management.

**a) 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 purchase from overseas suppliers in various foreign currencies.

The company evaluate exchange rate exposure arising from foreign currency transaction and the company follow established risk management policies, including the use of derivative like foreign exchange forward contracts to hedge exposure to foreign risk.

Company does not use derivative financial instruments for trading or speculative purposes.

[in Lakhs]

**Foreign currency exposure not hedged as at 31st March, 2025**

|                  | Rupees | USD  |
|------------------|--------|------|
| Trade receivable | 160.55 | 1.88 |

**Foreign currency exposure not hedged as at 31st March, 2024**

|                  | Rupees | USD  |
|------------------|--------|------|
| Trade receivable | 127.90 | 1.53 |

**Foreign currency sensitivity**

5% increase or decrease in foreign exchanges rates will have the following impact on profit before tax

[₹ in Lakhs]

| Particulars   | 2024-25        |                | 2023-24        |                |
|---------------|----------------|----------------|----------------|----------------|
|               | 5%<br>increase | 5%<br>decrease | 5%<br>increase | 5%<br>decrease |
| <b>Rupees</b> | <b>8.03</b>    | <b>(8.03)</b>  | <b>6.40</b>    | <b>(6.40)</b>  |

**b) 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.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Company has fixed rate borrowing only and hence there is no interest rate risk.

**c) Price Risk**

As of 31st March 2025, the company has Nil exposure on security price risks.

**Note no. 39 : Fair value measurement****a) Financial Instruments by category**

As at 31st March, 2025

|                                    |          |       |        | [₹ in Lakhs]   |
|------------------------------------|----------|-------|--------|----------------|
| Particulars                        | Note No. | FVTPL | FVTOCI | Amortized cost |
| <b>Financial Assets:</b>           |          |       |        |                |
| Other Non-Current Financial Assets | 3        | —     | —      | 2.26           |
| Trade receivables                  | 6        | —     | —      | 415.53         |
| Cash and cash equivalents          | 7        | —     | —      | 7.82           |
| Other bank balances                | 8        | —     | —      | 22.08          |
| Other current financial assets     | 9        | —     | —      | 52.34          |
| <b>Total financial assets</b>      |          | —     | —      | <b>500.03</b>  |

**Financial Liability:**

|                                     |    |   |   |                  |
|-------------------------------------|----|---|---|------------------|
| Non-current Borrowings              | 13 | — | — | 7,634.00         |
| Current Borrowings                  | 16 | — | — | 951.41           |
| Trade payables                      | 17 | — | — | 191.37           |
| Other current financial liabilities | 18 | — | — | 1,405.72         |
| <b>Total financial liabilities</b>  |    | — | — | <b>10,182.50</b> |

As at 31st March, 2024

|                                     |          |       |        | [₹ in Lakhs]    |
|-------------------------------------|----------|-------|--------|-----------------|
| Particulars                         | Note No. | FVTPL | FVTOCI | Amortized cost  |
| <b>Financial Assets:</b>            |          |       |        |                 |
| Other Non-Current Financial Assets  | 3        | —     | —      | 2.26            |
| Trade receivables                   | 6        | —     | —      | 431.71          |
| Cash and cash equivalents           | 7        | —     | —      | 29.94           |
| Other bank balances                 | 8        | —     | —      | 20.82           |
| Other current financial assets      | 9        | —     | —      | 10.91           |
| <b>Total financial assets</b>       |          | —     | —      | <b>495.64</b>   |
| <b>Financial Liability:</b>         |          |       |        |                 |
| Non-current Borrowings              | 13       | —     | —      | 7,024.00        |
| Current Borrowings                  | 16       | —     | —      | 972.53          |
| Trade payables                      | 17       | —     | —      | 234.72          |
| Other current financial liabilities | 18       | —     | —      | 1,401.68        |
| <b>Total financial liabilities</b>  |          | —     | —      | <b>9,632.93</b> |

**b) Fair value hierarchy**

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:

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.

**Valuation process to determine fair value**

Specific valuation technique is used to determine the fair value of the financial instruments which include:

-Investment in unquoted equity shares- Lowest level input that is significant to the fair value measurement is unobservable.

**Financial instrument measured at fair value**

As at 31st March 2025

|  |          |         |         |               | [₹ in Lakhs]  |
|--|----------|---------|---------|---------------|---------------|
| Particulars  | Note No. | Level 1 | Level 2 | Level 3       | Total         |
| <b>Financial Assets measured at amortised cost</b> |          |         |         |               |               |
| Other non-current financial assets                 | 3        | —       | —       | 2.26          | 2.26          |
| Trade receivables                                  | 6        | —       | —       | 415.53        | 415.53        |
| Cash and cash equivalents                          | 7        | —       | —       | 7.82          | 7.82          |
| Other bank balances                                | 8        | —       | —       | 22.08         | 22.08         |
| Other current financial assets                     | 9        | —       | —       | 52.34         | 52.34         |
| <b>Total financial assets</b>                      |          | —       | —       | <b>500.03</b> | <b>500.03</b> |

| Particulars   | Note No. | Level 1 | Level 2 | Level 3          | Total               |
|---|----------|---------|---------|------------------|---------------------|
| <b>Financial Liabilities measured at amortised cost</b> |          |         |         |                  |                     |
| Non-current Borrowings                                  | 13       | —       | —       | 7,634.00         | 7,634.00            |
| Current Borrowings                                      | 16       | —       | —       | 951.41           | 951.41              |
| Trade payables  | 17       | —       | —       | 191.37           | 191.37              |
| Other current financial liabilities                     | 18       | —       | —       | 1,405.72         | 1,405.72            |
| <b>Total financial liabilities</b>                      |          | —       | —       | <b>10,182.50</b> | <b>10,182.50</b>    |
| <b>Total</b>  |          | —       | —       | <b>10,682.53</b> | <b>10,682.53</b>    |
| <b>As at 31st March 2024</b>                            |          |         |         |                  | <b>[₹ in Lakhs]</b> |
| Particulars   | Note No. | Level 1 | Level 2 | Level 3          | Total               |
| <b>Financial Assets measured at amortised cost</b>      |          |         |         |                  |                     |
| Other non-current financial assets                      | 3        | —       | —       | 2.26             | 2.26                |
| Trade receivables                                       | 6        | —       | —       | 431.71           | 431.71              |
| Cash and cash equivalents                               | 7        | —       | —       | 29.94            | 29.94               |
| Other bank balances                                     | 8        | —       | —       | 20.82            | 20.82               |
| Other current financial assets                          | 9        | —       | —       | 10.91            | 10.91               |
| <b>Total financial assets</b>                           |          | —       | —       | <b>495.64</b>    | <b>495.64</b>       |
| <b>Financial Liabilities measured at amortised cost</b> |          |         |         |                  |                     |
| Non-current Borrowings                                  | 13       | —       | —       | 7,024.00         | 7,024.00            |
| Current Borrowings                                      | 16       | —       | —       | 972.53           | 972.53              |
| Trade payables  | 17       | —       | —       | 234.72           | 234.72              |
| Other current financial liabilities                     | 18       | —       | —       | 1,401.68         | 1,401.68            |
| <b>Total financial liabilities</b>                      |          | —       | —       | <b>9,632.93</b>  | <b>9,632.93</b>     |
| <b>Total</b>  |          | —       | —       | <b>10,128.57</b> | <b>10,128.57</b>    |

**Fair Value of Financial instrument measured at Amortised Cost**

The carrying amount of short term borrowings, trade payables, trade receivables, cash & cash equivalents and other financial assets and liabilities are considered to be the same as their Fair values, due to their short term nature.

**Note no. 40 : Details in respect of Analytical Ratios of the Company**
**[₹ in Lakhs]**

| Sr. No. | Particulars                      | Numerator Description               | Denominator Description      | For the Year 2024-25 |             |        | For the Year 2023-24 |             |        | % of Variance | Explanation for any change in the ratio by more than 25% as compared to the preceding year. |
|---------|----------------------------------|-------------------------------------|------------------------------|----------------------|-------------|--------|----------------------|-------------|--------|---------------|---|
|         |                                  |                                     |                              | Numerator            | Denominator | Ratio  | Numerator            | Denominator | Ratio  |               |   |
| 1.      | Current Ratio                    | Current Assets                      | Current Liabilities          | 2863.53              | 2580.68     | 1.11   | 2,792.26             | 2,646.31    | 1.06   | 5.16%         | -   |
| 2.      | Debt - Equity Ratio              | Total Debts                         | Shareholders Equity          | 8585.41              | (6639.80)   | (1.29) | 7,996.53             | (6,071.20)  | (1.32) | -1.83%        | -   |
| 3.      | Debt Service Coverage Ratio      | Earning available for Debt services | Debt Service                 | (529.46)             | 8585.41     | (0.06) | (437.53)             | 7,996.53    | (0.05) | 12.71%        | -   |
| 4.      | Return on Equity Ratio           | PAT Less Preference Dividend        | Average of Shareholder Funds | (569.78)             | (6355.50)   | 0.09   | (533.52)             | (5,803.51)  | 0.09   | -2.48%        | -   |
| 5.      | Inventory turnover Ratio         | COGS                                | Average Inventory            | 1535.61              | 1877.92     | 0.82   | 1,718.45             | 1,729.78    | 0.99   | -17.69%       | -   |
| 6.      | Trade Receivables turnover Ratio | Net Credit Sales                    | Average Trade Receivables    | 2195.80              | 423.62      | 5.18   | 2,436.69             | 599.96      | 4.06   | 27.62%        | Due to decrease in operational activity   |
| 7.      | Trade payables turnover Ratio    | Net Credit Purchase                 | Average Trade Creditors      | 1861.80              | 213.05      | 8.74   | 1,958.30             | 269.53      | 7.27   | 20.28%        | -   |
| 8.      | Net Capital turnover Ratio       | Net Sales                           | Working Capital              | 2195.80              | 282.85      | 7.76   | 2,436.69             | 145.95      | 16.70  | -53.50%       | Due to decrease in operational activity   |
| 9.      | Net Profit Ratio                 | Net Profit                          | Net Sales                    | (569.78)             | 2195.80     | (0.26) | (533.52)             | 2,436.69    | (0.22) | 18.51%        | -   |
| 10.     | Return on Capital employed       | PBIT                                | Capital Employed             | (567.16)             | (6639.80)   | 0.09   | (528.33)             | (6,071.20)  | 0.09   | -1.84%        | -   |
| 11.     | Return on investment             | Income from investments             | Average Investments          | NA                   | NA          | NA     | NA                   | NA          | NA     | NA            | -   |

**Note no. 41: Capital Management**

The Company's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Company; and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

**The gearing ratio at the end of the reporting period was as follows:**

(₹ in Lakhs)

| Particulars  | Note Reference No | As at            |                  |
|--|-------------------|------------------|------------------|
|  |                   | 31st March, 2025 | 31st March, 2024 |
| Debt   | 13 & 16           | <b>8585.41</b>   | 7,996.53         |
| Cash and bank balances   | 7                 | <b>7.82</b>      | 29.94            |
| Net debt   |                   | <b>8593.23</b>   | 8,026.47         |
| Total Equity attributable to equity share holders of the company | 11 & 12           | <b>(6639.80)</b> | (6,071.20)       |
| Gearing ratio  |                   | <b>(1.29)</b>    | <b>(1.32)</b>    |

**Note no. 42 :**

The financial statements have been prepared on going concern basis. However, the following material uncertainties existing at the end of the reporting period may affect the company from continuing as a going concern.

- The Board for Industrial and Financial Reconstruction (BIFR) had declared the company as a sick company and after abatement of BIFR, Scheme of Compromise, Arrangement and Amalgamation u/s 230-232 of the Companies Act, 2013 is under process of approvals from concerned authorities.
- The Company's net worth is fully eroded and has a negative net worth of ₹ 6639.80 Lakhs (P.Y. ₹ 6071.20 Lakhs).

**Note no. 43:**

In the opinion of Management, any of the assets other than items of property, plant and equipment and intangible assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, unless otherwise stated.

**Note no. 44:****Additional Disclosure (Other than IND AS Disclosure)**

- The company has been not declared as willful defaulter by Reserve Bank of India till 31/03/2025.
- During the year under Consideration the company has not traded or invested in crypto currency or virtual currency.
- There is no charge which are pending for satisfaction with registrar of companies beyond the statutory period.
- There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The company has entered in to transaction with following companies which are struck off under section 248 of the Companies Act, 2013.

(₹ in Lakhs)

| Name of struck off Company | Nature of transactions with struckoff Company | Balance Outstanding as on |            | Relationship with the Struck off company, if any, to be disclosed |
|----------------------------|---|---------------------------|------------|---|
|                            |   | 31.03.2025                | 31.03.2024 |   |
| Alankit Textiles Pvt Ltd   | Trade Receivable                              | <b>11.67</b>              | 11.67      | No  |

**Note no. 45:**

The financial statements are approved for issue by the Audit Committee on May 28, 2025.

**Note no. 46:**

Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year. The impact of the same is not material to the financial statements.

As per our report of even date attached

'For and on behalf of the Board of Directors' of Modern Denim Limited

**For J.T. Shah & Co.**

Chartered Accountants  
(FRN No. 109616W)

**[A K Panchal]**

Partner

[M.No. 116848]

Place : Ahmedabad

Date : 28/05/2025

(UDIN : 25116848BMKYUH7284)

|                    |                                |                 |
|--------------------|--------------------------------|-----------------|
| Sachin Ranka       | – Chairman & Managing Director | (DIN: 00335534) |
| Suvrat Ranka       | – Whole-Time Director          | (DIN: 08076235) |
| K.M. Ladha         | – Non-Executive Director       | (DIN: 09119472) |
| Rahul Singhvi      | – Independent Director         | (DIN: 08816920) |
| G.V. Kalpathy      | – Independent Director         | (DIN: 10512773) |
| Meenu Sacheti      | – Independent Director         | (DIN: 02266703) |
| Pankaj Kumar Sarda | – Chief Financial Officer      |                 |
| Deepak Jain        | – Company Secretary            |                 |
| Place : Abu Road   |                                |                 |
| Date : 28/05/2025  |                                |                 |

**MODERN DENIM LIMITED**

Registered Office : Talheti, Village Karoli, Tehsil Abu Road, Distt. Sirohi 307510 (Rajasthan)

Phone : 02974-228377 E-mail : denim.modern@gmail.com

Website : www.moderndenim.com CIN : L17124RJ1977PLC001758

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting hall)

**47th Annual General Meeting 30th September, 2025**

I hereby record my presence at the FOURTY SEVENTH ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at Talheti, Village Karoli, Tehsil Abu Road, Distt. Sirohi 307510 (Rajasthan) on Tuesday, the 30th September, 2025 at 1.00 P.M.

Full Name of Member (IN BLOCK LETTERS) .....

Reg. Folio No. ....

No. of Shares held .....

Full Name of Proxy (IN BLOCK LETTERS) .....

Member's/Proxy's Signature .....

**NOTE : ADMISSION WILL BE STRICTLY PERMITTED FOR SHAREHOLDERS/VALID PROXY HOLDERS ONLY.****MODERN DENIM LIMITED**

Registered Office : Talheti, Village Karoli, Tehsil Abu Road, Distt. Sirohi 307510 (Rajasthan)

Phone : 02974-228377 E-mail : denim.modern@gmail.com

Website : www.moderndenim.com CIN : L17124RJ1977PLC001758

**PROXY FORM**

Name of the member(s) : .....

Registered Address : .....

E-mail ID : ..... Folio No./Client Id : .....

DP ID : .....

I/We, being the members(s) of ..... Shares of the Modern Denim Limited, hereby appoint.

1. Name : ..... Address : .....

Email ID : ..... Signature : ....., or failing him

2. Name : ..... Address : .....

Email ID : ..... Signature : ....., or failing him

3. Name : ..... Address : .....

E mail Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on Tuesday, the 30th September, 2025 at 1:00 P.M. at Talheti, Village Karoli, Tehsil Abu Road, Distt. Sirohi 307510 (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1 ..... 2 ..... 3 ..... 4 .....

Signed this ..... day of ..... 2025

Signature of Shareholder : .....

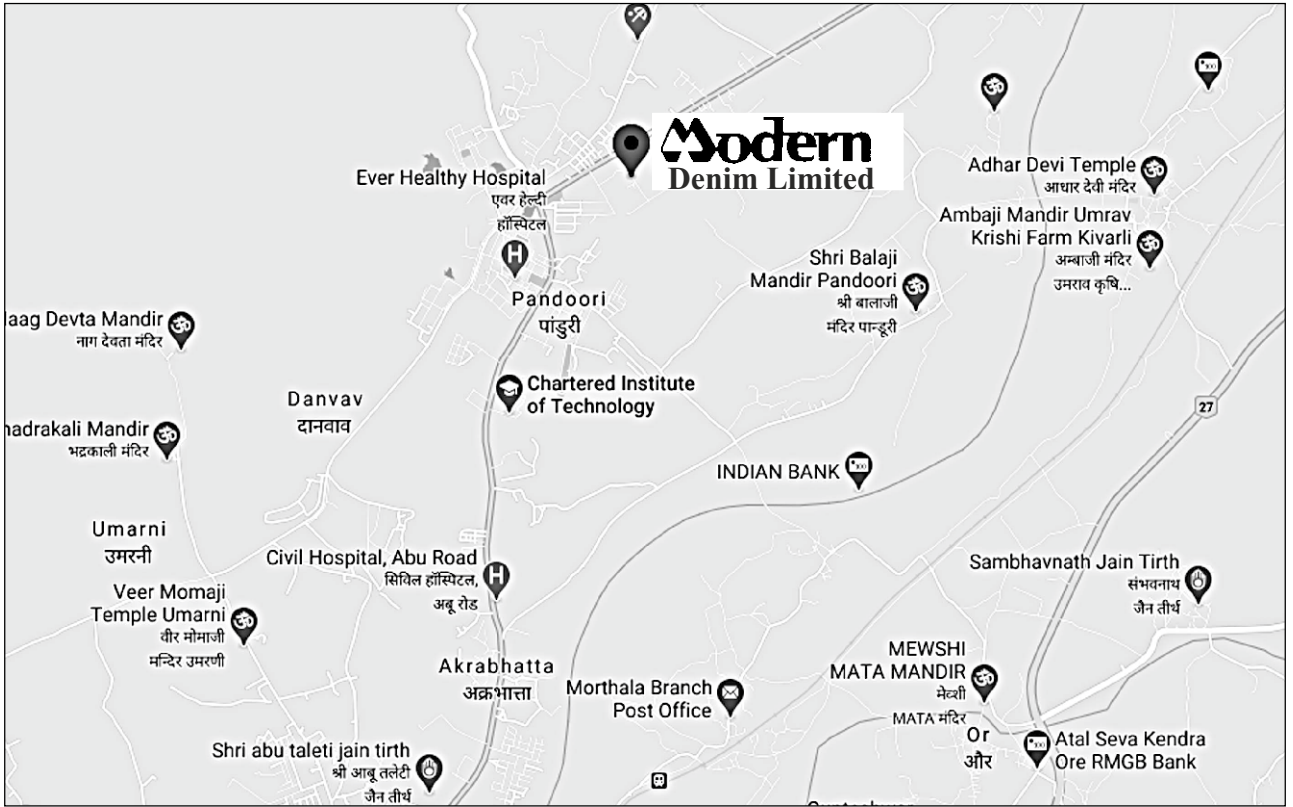
Signature of Proxy Holder(s) : .....

**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Talheti, Village Karoli, Tehsil Abu Road, Distt. Sirohi 307510 (Rajasthan) not less than FORTY EIGHT HOURS before the commencement of the meeting.**

Affix  
₹ 1/-  
Revenue  
Stamp



## Route Map to the venue of AGM



Book Post  
(Printed Matter)

If undelivered please return to :  
Modern Denim Limited  
Talheti, Village Karoli, Tehsil Abu Road  
Distt. Sirohi-307510 (Rajasthan)

