

SURYALAKSHMI COTTON MILLS LTD

(AN IS/ISO 9001 : 2015 & ISO 14001 : 2015 CERTIFIED COMPANY)

September 4, 2025

To The Secretary National Stock Exchange of India Limited Exchange Plaza, Plot C/1, G-Block, Bandra - Kurla Complex, Bandra (East), <u>MUMBAI - 400 051</u>	To The Secretary BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, <u>MUMBAI - 400 001</u>
Scrip Code : SURYALAXMI	Scrip No.: 521200

Dear Sir/Madam,

Sub: 62nd AGM Notice and Integrated Annual Report of Suryalakshmi Cotton Mills Limited ('Company') - Reg.

Ref: Compliance with Regulation 34 (1) and Regulation 30 of SEBI (LODR) Regulations, 2015

With reference to the above stated subject, we bring to your kind notice that pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time ('Listing Regulations'), the 62nd Annual General Meeting ('AGM') of the Company will be held on Tuesday, the September 30, 2025 at 11.00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue, in compliance with the Ministry of Corporate Affairs General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 in relation to "Clarification on holding of AGM through VC/ OAVM, collectively referred to as "MCA Circulars". The Registered Office of the Company shall be deemed to be the venue for the AGM.

In pursuance of Regulation 34(1) of the Listing Regulations, please find enclosed herewith the following:

- 1) Notice of the 62nd Annual General Meeting; and
- 2) The Integrated 62nd Annual Report of the Company for the financial year ended March 31, 2025.



GOVERNMENT RECOGNISED EXPORT HOUSE

Regd. Office : Surya Towers, 6th Floor, 105 Sardar Patel Road, Secunderabad - 500 003. Telangana, INDIA

CIN Number : L17120TG1962PLC000923

Phone : +91-40-27885200, 27819856 / 57

E-MAIL : slcmld@suryalakshmi.com WEBSITE : www.suryalakshmi.com

SURYALAKSHMI COTTON MILLS LTD

(AN IS/ISO 9001 : 2015 & ISO 14001 : 2015 CERTIFIED COMPANY)

The AGM notice and Integrated Annual Report are being sent by e-mail to those Members whose e-mail addresses are registered with the Company/Depository Participant(s) ("DP")/ the Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFintech").

In terms of Regulation 46 of the Listing Regulations, the said Annual Report and Notice of 62nd Annual General Meeting and other relevant documents will also be available on the website of the Company at www.suryalakshmi.com.

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is providing the facility to its Members to exercise their right to vote by electronic means on the businesses specified in the Notice convening the 62nd Annual General Meeting of the Company, through remote e-Voting services of KFin Technologies Limited as well as e-Voting during the AGM.

The Company has fixed Tuesday, September 23, 2025 as the cut-off date to determine the eligibility of the Members entitled to cast their vote by electronic means and attend the AGM scheduled to be held on Tuesday, the September 30, 2025 at 11.00 A.M. through VC/OAVM Facility. Accordingly, the voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date i.e. September 23, 2025. The remote e-Voting period commences on Thursday, September 25, 2025 (09:00 Hours IST) and ends on Monday, September 29, 2025 (17:00 Hours IST). The e-Voting instructions and the process to join meeting through VC/OAVM is set out in the said AGM Notice.

The register of members and share transfer books will be closed from Tuesday, September 23, 2025 to Tuesday, September 30, 2025 (both days inclusive) for the purpose of Annual General Meeting.

This is for your information and record.

Thanking you,

Yours faithfully,

For **SURYALAKSHMI COTTON MILLS LIMITED**



(E. V. S. V. SARMA)

COMPANY SECRETARY & COMPLIANCE OFFICER

M. No. - ACS5220



GOVERNMENT RECOGNISED EXPORT HOUSE

Regd. Office : Surya Towers, 6th Floor, 105 Sardar Patel Road, Secunderabad - 500 003, Telangana, INDIA

CIN Number : L17120TG1962PLC000923

Phone : +91-40-27885200, 27819856 / 57

E-MAIL : slcmtd@suryalakshmi.com WEBSITE : www.suryalakshmi.com



Innovating
today

Sustaining
tomorrow

Contents

01

Strategic Overview

- 01** — Corporate Information
- 02** — Innovating today Sustaining tomorrow
- 04** — About Us
- 06** — Chairman's Message
- 08** — Our Integrated Denim Solutions
- 10** — Strategic Direction for a Future-Ready Business
- 11** — Driving Innovation, Delivering Sustainability
- 12** — People, Environment and Quality: Our Approach to Responsible Manufacturing
- 15** — Certifications

16

Statutory Reports

- 16** — Directors' Report
- 22** — Corporate Governance Report
- 45** — Management Discussion and Analysis

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our business prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make or publish, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

55

Financial Statements

- 55** — Independent Auditors' Report
- 64** — Balance Sheet
- 65** — Statement of Profit and Loss
- 66** — Statement of Cash Flow
- 68** — Statement of Changes in Equity
- 69** — Notes forming part of the Financial Statements

110

Notice

Corporate Information

Board of Directors

Sri. L. N. Agarwal

Chairman and Managing Director

Sri. Paritosh Agarwal

Managing Director

Sri. R. Surender Reddy

Director (From 24/05/2024)

Sri. Dhruv Vijai Singh

Director

Smt. Aruna Prasad

Director

Sri. Arvind Sadashiv Mokashi

Director (Upto 25/12/2024)

Dr. Malapally Chowda Reddy Balaji

Director (From 16/12/2024)

Company Secretary & Compliance Officer

Sri. E. V. S. V. Sarma

President (Finance)

Sri. Sudhir Bhansali (From 02/12/2024)

Chief Financial Officer

Sri. B. M. Vijaya Kumar

(Upto 17/10/2024)

Sri. Santosh Kumar Agarwal

(from 01/01/2025)

Statutory Auditors

M/s. Brahmayya & Co.

Secretarial Auditors

M/s. K V C Reddy & Associates

Internal Auditors

M/s. K. Vijayaraghavan & Associates, LLP

Cost Auditors

M/s. S. Hariharan & Associates

Bankers

State Bank of India

Industrial Finance Branch,
Somajiguda, Hyderabad

Union Bank of India

(erstwhile – Andhra Bank),
Somajiguda, Hyderabad

Punjab National Bank

Oxford Plaza, S. D. Road Secunderabad

Registered Office

6th Floor, Surya Towers 105, S.P. Road
Secunderabad – 500 003

Tel. No. (040) 27885200

Website : www.suryalakshmi.com

E-mail Id: slcmilt@suryalakshmi.com

CIN: L17120TG1962PLC000923

Factories

Yarn Divisions
Amangallu Mandal, Amangallu

Ranga Reddy Dist.
Telangana – 509 321

Amravati

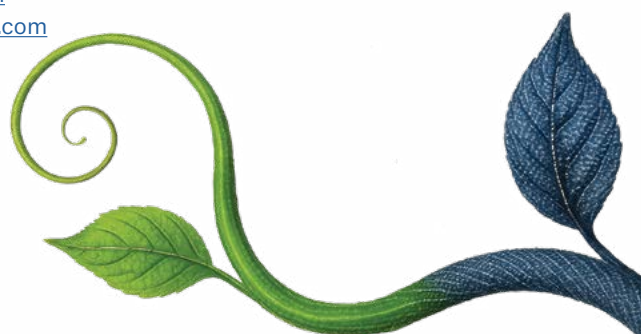
Addl. Amravati Indl. Area,
Textile Park, Nandgaon Peth,
Tuljapur Village, Talkhanda,
Dist. Amravati.
Maharashtra – 444 901

Denim Division

Ramtek Mauda Road
Village Nagardhan, Tehsil Ramtek
Nagpur Dist.,
Maharashtra – 440 010

Registrar and Transfer Agent

KFin Technologies Limited,
Selenium Building, Tower – B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Gachibowli,
Hyderabad – 500 032
Tel.: 040-6716 2222 / 1754



Innovating
today
Sustaining
tomorrow

At Suryalakshmi Cotton Mills,
innovation is built into the way we
think, work and grow. We believe in
getting better each day in terms of
not just how we work but what we
create and why it matters.





This belief fuels our fire to keep growing. Whether it's making our fabrics more versatile, adding more innovative technology to our looms, or refining the way we dye and finish our denim, we are consistently seeking ways to be more efficient.

But innovation means little without responsibility. We think carefully about every choice — how much water we use, the waste we generate, and how our actions impact both our people and the planet. We've streamlined processes, invested in cleaner technologies, and built a workplace that fosters collaborative innovation.

Over the years, we have learned that real growth takes time, effort, and care. Growth is in the big achievements as much as it is in the quiet improvements, the tough calls, and the small wins that build something lasting. That is the growth we are committed to. The kind that lasts. We are here to keep learning, keep adapting and keep leaving things better than we found them.

Because ultimately, **what we do today should always make room for a better tomorrow.**



About Us

Founded in 1962, Suryalakshmi Cotton Mills Ltd. (SCML) has steadily grown into one of India's most respected and forward-thinking integrated textile companies. With a sharp focus on premium yarns and denim fabrics, the company has earned a strong position in the textile and apparel industry. SCML caters to customers across more than 29 countries, forging long-standing relationships with prestigious global brands like Levi's, Kontoor, Amazon, and Walmart.

Our foundation rests on our commitment to creating strategic relations with both our customers and suppliers for long term sustainable growth in our business. The principles of sustainable manufacturing run through everything we do, from design innovation and global presence to our integrated production systems, global outlook, and environmental stewardship. It is a blend of purpose and progress that continues to shape our journey forward.





Our Vision

To become a global leader and preferred partner in premium yarn and denim fabric manufacturing by leveraging long-term growth opportunities and creating superior value for all stakeholders.



Our Mission

To be one of the Top Global Players in the specialised denim and premium yarn sector, bringing inspiration and innovation to every fabric and yarn we create.



Our Values



Innovation-led Design Thinking

We exercise the highest levels of professionalism in our work and relationships and are committed to continuous improvement in our pursuit of excellence.



Customer First

We put the needs of our customers first and are focused on delivering value by providing the highest quality products.



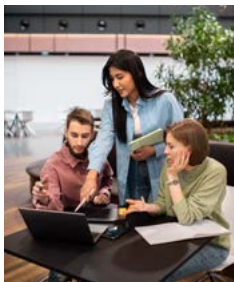
Integrity

We are committed to remaining transparent, honest and accountable in our relationships with all stakeholders, both inside and outside.



Responsibility

We pay attention to what we create, how we create it and the way it impacts people and the environment.



People Welfare

We exercise global standards of worker and human resource welfare to create an efficient, healthy, happy and satisfied workforce.

Chairman's Message



L.N. Agarwal
Chairman

“

At the core of our success are the people whose passion and dedication bring our vision to life. The Suryalakshmi family reflects the dedication and skill that drive everything we achieve. A future-proof company is only possible when its people grow alongside the rapid changes of the industry.

”

Dear Shareholders,

The fiscal year (FY 2024-25) has been another year of resilient performance and strategic progress. The year under review unfolded against a backdrop of shifting global dynamics and evolving domestic conditions. While we continue to navigate through geopolitically transformative times, there remain clear opportunities for agile and future-focused businesses.

In India, the denim market remains a beacon of promise, growing at a healthy annual rate of 8% to 9% driven by strong consumer demand and changing retail expectations. Customers today are increasingly prioritising shorter lead times, which, while impacting operational efficiency, enable faster

inventory turnover and greater market responsiveness. This evolving landscape calls for a fine balance between speed, scale and sustainability—one that we are uniquely positioned to deliver on. The yarn spinning industry shifts more towards niche, value added products, rewarding those who innovate through different fiber blends and spinning techniques.

Performance that speaks

For FY 2024-25, our revenue from operations stood at ₹ 791.76 crores, driven primarily by resilient exports, stronger presence with brands in India, higher proportion of value added yarns and higher productivity across our denim and yarn manufacturing units. We successfully maintained consistent volumes and capacity utilisation. Our domestic market share accounted for 76.50% of total revenues, contributing ₹ 605.71 crores, while the international market contributed ₹186.05 crores to our topline.

At Suryalakshmi, our strength lies in our deep expertise and consistent track record of delivering high-quality products. Our robust manufacturing and R&D capabilities, combined with a technically skilled workforce and cost-effective strategies, enable us to meet growing demand and establish a strong foothold both nationally and beyond the borders. We have earned a reputation of trust and excellence, forging long-standing associations with both multinational and domestic clients.

Innovating today for a sustainable tomorrow

Stitching a legacy of more than six decades, we continue to craft the future of fashion. By blending enduring trends with avant-garde innovation and global collaborations, we curate denim and fabric collections that are both timeless

and trendsetting. This has led us to create over three thousand specialised variants showcasing our desire for innovation and strategic foresight to build a sustainable future.

For over three decades, we have been the top suppliers for some of the world's leading brands—crafting premium denim that reaches people across continents. What sets us apart is our integration from spinning to fabric and our flexibility to rapidly innovate across the supply chain to adapt with fashion trends with agility. From spinning premium yarns to crafting high-quality denim fabric, our vertically integrated model has been the blueprint of our enduring success.

But all this would mean little if we did not understand the deeper value of what we create and how we create it. Every step we take is guided by the belief that our growth must also nurture a more sustainable tomorrow for our company, our people and the world around us. We are integrating eco-friendly practices into our operations, carefully balancing efficiency with mindful stewardship of water and waste. At the same time, we stay closely connected to the latest industry advancements, actively adopting every eco-friendly practice that can enhance our operations.

Looking towards the future

At the core of our success are the people whose passion and dedication bring our vision to life. The Suryalakshmi family reflects the dedication and skill that drive everything we achieve. A future-proof company is only possible when its people grow alongside the rapid changes of the industry. We recognise this and are committed to nurturing our employees through dedicated skill-building programmes that support both their personal and professional development.

We also prioritise the health and safety of our people, giving equal importance to mental well-being, which is often overlooked. We are confident that by fostering continuous upskilling and nurturing a diverse, supportive work environment, we will be well-prepared for the future.

The future presents a dynamic landscape of challenges and opportunities, but we are optimistic about our position in that landscape. The textile industry has recently faced a renewed push with the allocation of an additional 28.29% budget growth from the previous year. This, along with a number of government schemes, aligns us positively for future growth and the company's sustainability.

Celebrating collaboration and commitment

At Suryalakshmi, we remain committed to strengthening our profitability and competitive positioning. Moving ahead, we will uphold disciplined capital management and leverage our proven execution strengths to drive sustainable growth.

I extend my sincere gratitude to our shareholders, your unwavering trust and support continue to encourage us to reach new heights. On behalf of the Board, I also want to thank our employees, customers and partners for their valuable contributions to our success. We remain committed to steering the company towards becoming a global leader, delivering meaningful value to society.

Regards,

L. N. Agarwal
Chairman

Our Integrated Denim Solutions

At Suryalakshmi Cotton, we deliver comprehensive, end-to-end solutions that bring speed, flexibility and creative precision to the global fashion industry. With nearly three decades of experience in the denim segment, we have built a value chain that is not just efficient but also agile, designed to meet the demands of today's fast-moving market.

Yarn Solutions

We offer a wide range of specialised yarns crafted to meet a wide range of fashion and functional requirements. Our portfolio boasts super-speciality to fancy and functional yarns. These yarns are tailored to power high-performance applications, keeping pace with the needs of fast fashion and custom product lines.



Denim Fabric Solutions

Our denim is not one-size-fits-all. Our fabric range reflects a thoughtful mix of trend insight, comfort and durability. With a wide variety of weights, finishes and aesthetic treatments, our denim fabrics are built to support both classic staples and fashion-forward statements. This helps brands bring their vision to life with ease.





- 100% Spun Polyester Yarns
- Cotton, Polyester – Viscose Blends, Tencel, Recycled polyester and cotton blends
- Dope dyed, and Indigo yarn dyed
- Open End, Ring Spun and Compact Yarns
- Slub Yarns, Core Spun Elastane, and Eli-twisted Yarns



- Mercerised, Coated, and Coloured Denims
- Stretch and Rigid Fabrics
- Yarn-dyed and Over-dyed Varieties
- Fabrics in weight ranges from 5 oz to 15 oz



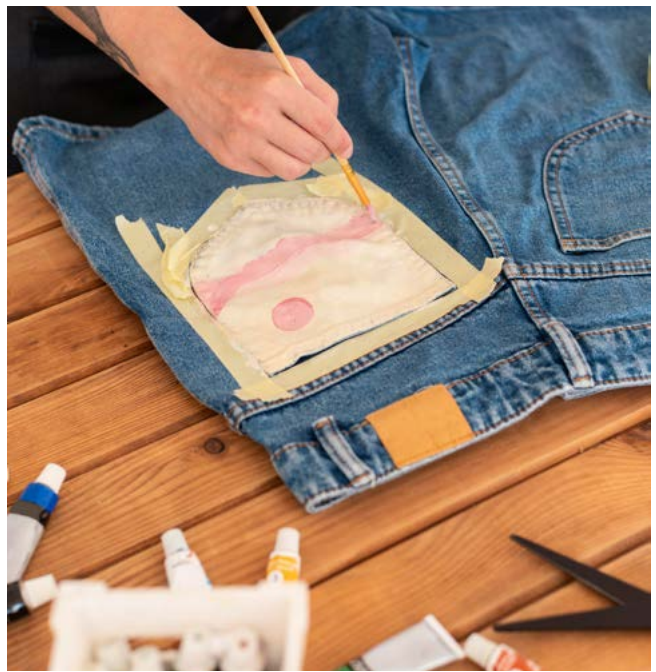
Strategic Direction for a Future-Ready Business

At Suryalakshmi Cotton, we are charting a future-focused growth path centred on innovation, efficiency and global alignment. Our growth strategy is anchored in consistent modernisation of our denim manufacturing and a strong alignment with evolving international standards in production, quality and environmental performance. Our recent investments as well as our future investment strategies are built around the core principle to have the highest efficiency standards in the industry.



Integrated Operations

We have built a fully integrated denim manufacturing ecosystem, starting from cotton sourcing and yarn production all the way to denim fabric. This comprehensive value chain enables us to serve a diverse global customer base while efficiently addressing the needs of the rapidly growing mid-market segment. A balanced mix of international and domestic clientele supports a de-risked business model, ensuring predictable revenues and enhancing long-term profitability.



Product Intelligence

Fashion moves fast, and we are keeping pace by investing in internal R&D and trend analytics. Our collaborations with leading designers from Europe and Asia help us stay ahead in styling, detailing and material innovation. This approach helps us focus on high-margin, differentiated offerings and gradually reduce our dependence on low-margin categories.

Driving Innovation, Delivering Sustainability

At Suryalakshmi Cotton, innovation is not a passing trend but a consistent force that shapes how we operate, evolve, and respond to change. With over six decades of experience behind us, we continue to reimagine our processes and products to stay ahead in a fast-paced textile landscape. Our recent investments have strengthened the core of our integrated operations, particularly in yarn and fabric production. By focusing on novel spinning techniques through blends of sustainable and functional Man Made Fibers such as polyester, rayon and tencel we have been able to achieve performance and value in our yarns and fabrics.

Introducing newer looms has helped us in providing a range of new fabric weaves at higher widths that helps us provide innovative products with optimised costs for our customers, opening up new market opportunities.

We have also taken a decisive step towards cleaner, smarter production. Our modern finishing and dyeing infrastructure is equipped with advanced

systems that help us conserve vital resources, reducing our reliance on chemicals, energy, and water while cutting down on maintenance requirements. One of the standout enhancements has been the integration of CleanKore technology, which not only allows for environmentally responsible dyeing but has also enabled us to roll out exciting new product lines that are gaining strong customer traction.



People, Environment and Quality: Our Approach to Responsible Manufacturing

At Suryalakshmi Cotton, we acknowledge the significant social and environmental impact of our operations. That is why responsible manufacturing is not just a choice for us, but rather a commitment. From sourcing raw materials to delivering finished product, we aim to bring positive changes across our entire value chain.

Over the past six decades, we have continuously innovated, ensuring we embed sustainability across three core areas:



People



Environment



Quality

These values guide our everyday decisions. Our focus is simple – steady, measurable improvement in the areas that matter most.

Quality Excellence

Modern Manufacturing. Ongoing Improvements. Customer Satisfaction.

Our focus on quality drives us to deliver products that consistently meet the expectations of our customers. By maintaining state-of-the-art manufacturing facilities and advanced denim finishing techniques, we aim to uphold the highest standards in all aspects of production. We believe in learning from feedback, refining our processes and staying committed to excellence.

We maintain certifications across several critical areas to demonstrate our quality, environmental responsibility, health and safety, and ethical practices. Our operations comply with global standards and are regularly audited by third-party agencies to meet the requirements of international clients such as VF Corporation and Levi's.



Environmental Responsibility

Waste Reduction. Water Stewardship. Climate Action.

We are making sustainability practical. We integrate it into our day-to-day operations. From reducing waste to conserving water, we are constantly working towards a more efficient and eco-friendly production model.



Waste Management

With advanced effluent management systems, we aim to minimise waste and ensure that no harmful substances are released into the environment. Our long-term goal is zero-waste in denim manufacturing.



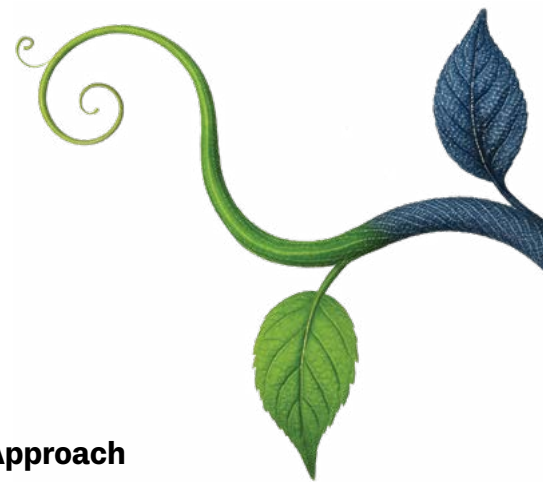
Water Stewardship

Conserving water is essential to our operations. We are implementing more water-efficient manufacturing processes, which help us reduce consumption without compromising on quality.



Climate Responsibility

Addressing climate change is integral to our business strategy. We actively focus on reducing our carbon footprint by lowering greenhouse gas emissions across our operations through smarter energy use and greener technologies.



3R Approach



Our approach follows the principles of Reduce, Replace, and Recycle, which guide us in minimising consumption, replacing harmful materials with more sustainable alternatives, and recycling resources like water and chemicals wherever possible.

People-Centric Approach

Empowering Employees. Encouraging Inclusivity. Supporting Well-being.

At Suryalakshmi Cotton Mills, our people are not just a part of our process but the driving force behind everything we achieve. We believe that when the workforce feels seen, supported and inspired, the organisation grows stronger. We therefore place great importance on empowering our workforce, creating an environment of inclusivity, and supporting their overall well-being.



Training and Development

We offer a wide range of training programs that equip employees with the necessary skills to excel in their roles, whether technical or leadership-based. These programs ensure that our workforce can adapt to the ever-changing demands of the industry.



Employee Well-being

We promote physical and mental well-being through initiatives like yoga camps, providing employees with the opportunity to relax and rejuvenate. Participation in district and state-level sports events is encouraged, offering our workforce platforms for personal growth and achievement.



Gender Equality

We are actively working to level the playing field. Our woman-focused initiatives are designed to create opportunities for women in traditionally male-dominated roles. By offering the right training and support, we are helping break barriers and encourage a more inclusive and diverse workforce.

Certifications



ISO 14001:2015



ISO 9001:2015



Global Organic Textile Standard (GOTS) Version 7.0



Global Recycled Standard (GRS Version 4.0)



Organic Content Standard (OCS Version 3.0)



Recycled Claim Standard (RCS Version 2.0)



Oeko-Tex Standard 100



Regenagri Chain of Custody Criteria – Textiles Version 1.0

DIRECTORS' REPORT

To
The Members

Your Directors are pleased to present their Sixty-Second Annual Report on the business and operations of the Company and the financial results for the year ended 31st March, 2025.

FINANCIAL SUMMARY / HIGHLIGHTS

(₹ in Lakhs)

Particulars	2024-2025		2023-2024	
Gross Profit before Interest & Depreciation		5,520.35		5,792.47
Less : Interest	3,201.65		2,995.79	
: Depreciation & Amortisation expense	1,820.32	5,021.97	1,806.52	4,802.31
Profit/(Loss) before prior year Adjustment		498.38		990.16
Exceptional Items		53.86		(367.74)
Profit / (Loss) before tax for the year		552.24		622.42
Less : Current Tax		105.50		98.00
Less : Earlier Year Tax		-		54.54
Less : Deferred tax liability		83.42		109.13
Profit / (Loss) after tax from continuing operations		363.32		360.75
Profit / (loss) from discontinued operations		-		-
Tax expense on discontinued operations		-		-
Profit / (Loss) after tax from discontinued operations		-		-
Profit / (Loss) for the period		363.32		360.75
Other Comprehensive Income		0.23		(58.56)
Total Comprehensive Income for the period		363.55		302.19
Add : Opening other Equity		24,547.37		24,245.18
Sub Total		24,910.92		24,547.37
Less : Dividend on Equity share capital		-		-
Less : Transferred to General Reserve		-		-
Profit transferred to balance sheet		24,910.92		24,547.37

COMPANY'S PERFORMANCE AND REVIEW OF OPERATIONS

The Operations for the current financial year 2024-25 on a turnover of ₹ 796.34 crores resulted in a profit before tax of ₹ 5.52 crores and a net profit after tax of ₹ 3.63 crores. The production of yarn and fabric were maintained at the last year's level. This is partly on account of the worldwide geopolitical disturbances and political upheaval in our neighbourhood.

DIVIDEND

Your Company proposes to further modernize its machinery and production processes to keep pace with the evolving global trends in the industry. The Board, with a view to conserve resources has not recommended any dividend for the year under review.

CAPITAL EXPENDITURE

During the year under review the Company incurred capital expenditure of ₹ 2230.01 lakhs.

EXPORTS

During the year our exports at ₹ 186.05 crores registered a 9% increase over that in the previous year. You will be happy to note that this growth in exports was inspite of the geopolitical disturbances during the year. The disturbances in Bangladesh which is one of our main markets had significant impact on exports. A series of tariff wars resulting from the US Government's tariff changes have caused uncertainties in global trade and the markets are yet to stabilize.

FUTURE OUTLOOK

Considering the international scenario throwing up new challenges at regular intervals, the Company has been trying to partner with a couple of more European brands to spread the risks in future. The Company proposes to explore new markets like South America, Egypt, Indonesia, and South Korea while making every effort to increase business with existing brand leaders like WalMart, Levi's, Kontoor and Amazon. Further the Company relentlessly pursues

the sustainability initiatives undertaken. The company continues to offer unique product mix and excellent service support as always.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

CHANGES IN DIRECTORS:

Sri R. Surender Reddy was appointed as a Non-Executive Non-Independent Additional Director on 24/05/2024 and secured the members' approval at the Annual General Meeting held on 22/08/2024 for appointment as Non-Executive Non-Independent Director liable to retire by rotation.

Sri Arvind Sadashiv Mokashi, a retired banker appointed as a Non-Executive Independent Director on 10/08/2023 for a period of five years resigned on 25/12/2024 due to his personal commitments and the Board wishes to place on record its appreciation of his wise counsel and valuable guidance.

Smt. Aruna Prasad was appointed as a Non-Executive Independent Director for a period of five years at the Annual General Meeting held on 22/08/2024.

Dr. Malapally Chowda Reddy Balaji was appointed as a Non-Executive Independent Director on 16/12/2024 for a period of five years following resignation of Sri Arvind Sadashiv Mokashi through Postal Ballot.

CHANGES IN THE STATUS OF KMPs DURING THE YEAR:

Sri L N Agarwal was re-appointed as the Chairman and Managing Director of the Company for a period of five years w.e.f. 22/06/2024 at the Annual General Meeting held on 22/08/2024.

Sri Buddhavarapu Mahadeva Vijaya Kumar resigned from the post of CFO of the Company w.e.f. 17/10/2024 due to his personal commitments and Sri Santosh Kumar Agarwal was appointed as the CFO of the Company w.e.f. 01/01/2025.

Further, Sri Paritosh Agarwal's term of appointment as a Managing Director ends in June 2025 and the Board has re-appointed him w.e.f. 21/06/2025 on the existing terms subject to approval of the members of the company in the ensuing 62nd Annual General Meeting.

Further details about the above directors are given in the Corporate Governance Report.

EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013, and as per the latest Listing Regulations, the annual performance

evaluation of the Board, its Committees and of Individual Directors was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has formulated a familiarisation program for the Independent Directors to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of such program are available on the Company's website at <http://www.suryalakshmi.com/investor-corporate-governance.aspx>.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has obtained the declaration from the Independent Directors confirming that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013. The Independent Directors appointed during the financial year are persons of integrity and possess expertise and experience in their respective fields.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held under the Chairmanship of Sri Dhruv Vijai Singh, Independent Director on February 14, 2025, inter-alia to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

POLICY ON APPOINTMENT & REMUNERATION OF DIRECTORS

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. 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 Directors 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 <http://www.suryalakshmi.com/investor-corporate-governance.aspx>.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURES UNDER THE COMPANIES ACT, 2013

i) Annual Return:

The Company's Annual Return has been hosted on Company's website and can be accessed at the web link www.suryalakshmi.com. Therefore, the extract of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 has not been annexed to this Board's Report.

ii) Number of Board Meetings:

The Board of Directors met four times during the year 2024-2025. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

iii) Committees of the Board:

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance of these Committees during the year have been enumerated in Corporate Governance Report and CSR Report which forms part of the Annual Report.

iv) Related Party Transactions:

All the related party transactions are entered into on arm's length basis and are in compliance with the applicable provisions of the Companies Act 2013 and the Listing Regulations. There are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large. Thus disclosure in Form AOC-2 is not required to be made. All Related Party Transactions are disclosed to the Audit Committee and the Board.

Omnibus approval is obtained for the transactions which are foreseeable and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee and the Board on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for its review. The Related Party Transactions Policy as approved by the Board is uploaded on the company's website at the web link: <http://www.suryalakshmi.com/investor.corporate.governance.aspx>

v) Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

vi) No Loans / Guarantees / Investments under Section 186 of the Companies Act, 2013 have been made during the year.

vii) There were no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations

CORPORATE GOVERNANCE

As per the Listing Regulations, Management Discussion and Analysis Report forms part of the Corporate Governance in the Annual Report (**ANNEXURE - V**). The Company has complied with the corporate governance requirements under the Companies Act, 2013 as stipulated under the Listing Regulations. A separate section on corporate governance under the Listing Regulations, along with a certificate from a Practising Company Secretary confirming the compliance, is annexed and forms part of the Annual Report (**ANNEXURE - I**).

CORPORATE SOCIAL RESPONSIBILITY

At Suryalakshmi a major concern has been, the sincere effort by the Company to recognize the role played by the Society at large, the environment and its human resources in its sustainability and growth and to strive to discharge its social responsibility as a corporate citizen. To this end, the Company has always tried to strike a fine balance of economic, environmental and social commitments. The sustainable stewardship mantra is not limited to philanthropy, but encompasses holistic community development and other initiatives to strengthen business sustainability. The core areas for Suryalakshmi's Corporate Social Responsibility (CSR) Programmes for this year have been health care, environment and education. Details of the projects / activities implemented by the Company are furnished in a separate **ANNEXURE-II** to this report. The Company constituted a Committee of CSR consisting of Sri L. N. Agarwal, Sri Paritosh Agarwal and Sri Dhruv Vijai Singh, with Sri Dhruv Vijai Singh as Chairman.

RISK MANAGEMENT POLICY

The Company has instituted a proper mechanism for identifying and establishing controls to effectively manage different kinds of risks viz., Trend Related Risks, Raw Material Risks, Brand / Technology Risks, Operational Quality Risks, Human Resources Risks, Regulatory Risks and Financial Risks. A Committee headed by Sri Paritosh Agarwal, Managing Director periodically reviews the risks and takes steps to mitigate identified risks.

WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower policy for vigil mechanism for Directors and employees to report to the management about unethical behaviour, fraud, violation of Company's Code of Conduct, which also ensures safeguards against victimization of those employees who seek to make use of the free access to the Audit Committee for this purpose. None of the Personnel has been denied

access to the audit committee. The Whistle Blower Policy has been posted on the website of the Company at www.suryalakshmi.com/investor-corporate-governance.aspx

DECLARATION ABOUT COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL.

The Company has complied with the requirements of Code of Conduct for Board members and Senior Management Personnel.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trained) are covered under the Policy. The following is a summary of sexual harassment complaints received and disposed of during each Calendar year:

- a) No. of Complaints received - NIL
- b) No. of Complaints disposed off during the year - NIL
- c) No. of cases pending as at end of the Financial Year - NIL

AUDITORS

I. Statutory Auditors and their Report

M/s. Brahmayya & Co, Chartered Accountants, Hyderabad (ICAI Firm Regn No.000513S) were appointed as auditors for a period of 5 years in the 59th AGM on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

The Company has received the prescribed certificate from the Auditors regarding the appointment and the necessary consent for their appointment as Auditors. The Auditors' Report to the shareholders for the year under review does not contain any qualification, reservation or adverse remark.

II. Cost Auditor and Cost Audit Report

As per the requirement of Central Government and pursuant to Section 148 of the Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company was

required to maintain cost records and accordingly, such accounts are made and records have been maintained relating to Textile Divisions every year.

Pursuant to Section 148 of the Companies Act, 2013 the Board of Directors on the recommendation of the Audit Committee, has appointed M/s. S. Hariharan & Associates, Cost Accountants (Firm Registration No.100486) as the Cost Auditors for the Financial Year 2025-26 and has recommended their remuneration to the shareholders for their ratification at the ensuing Annual General Meeting. M/s. S. Hariharan & Associates, Cost Accountants have confirmed their appointment is within the prescribed limits and also certified that they are free from any disqualification.

III. Secretarial Auditor and Secretarial Audit Report

As required by the recently amended SEBI (LODR) Regulations, 2015 the Company has appointed M/s. K V C Reddy & Associates, Company Secretary in Whole-time Practice (M. No. F9268) as Secretarial Auditor subject to approval of members in the ensuing 62nd Annual General Meeting for a period of five consecutive years to carry out the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013.

The report of the Secretarial Auditor for the financial year 2024-25 does not contain any qualifications, reservation or adverse remarks and is annexed to this report as **ANNEXURE -III**.

IV. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with rules made there under, the Board has appointed M/s. K. Vijayaraghavan & Associates, LLP, a reputed firm of Chartered Accountants, as Internal Auditors of the Company.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has effective and adequate internal control systems in place commensurate with the size and complexity of the organisation. Internal and operational audit is carried by M/s. K. Vijayaraghavan & Associates LLP, a reputed firm of Chartered Accountants. The Internal Audit system is designed to meet the statutory requirements as well as ensure proper implementation of management

and accounting controls. The internal auditors submit their report to the Managing Director and also to the Audit Committee, which reviews the report and ensures that the Audit observations are attended to by the Management.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, as required to be given pursuant to provision of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed here to marked **ANNEXURE-IV** and forms part of this report.

DEPOSITS

The Company has not accepted any deposits from the public during the year under review.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

EMPLOYEES

Periodic Training programmes for developing a skilled workforce, personality development programmes, yoga camps, etc., encouragement of employee participation in district / state level sports events are regularly undertaken. An integrated woman focused program trains unskilled women to undertake skilled jobs at its units.

Disclosure pertaining to the remuneration and other details as required under Section 134 & 197(12) of the Act, and the Rules framed thereunder is enclosed as **ANNEXURE-VI** to the Board's Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT & CHANGE IN NATURE OF BUSINESS, IF ANY

There have been no material changes and commitments affecting the financial position of the Company

subsequent to the close of the Financial Year to which Financial Statements relate and the date of the Report and no change in the nature of business.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company does not have any Subsidiaries, Joint Ventures or Associate Companies.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the year under review, there has been no one time settlement of loans taken from banks and financial institutions.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

During the year under review, there were no applications filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT or remained pending.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the

SEBI (Prohibition of Insider Trading) Regulation, 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website.

ACKNOWLEDGEMENTS

The Board of Directors are pleased to place on record their appreciation of the cooperation and support extended by Banks and various State and Central Government Agencies. The Board also wishes to place on record its appreciation of the valuable services rendered by the employees of the Company.

For and on behalf of the Board

L. N. AGARWAL

Chairman & Managing Director
(DIN - 00008721)

Date: 27th May, 2025.
Place: Secunderabad.

ANNEXURE – I**CORPORATE GOVERNANCE REPORT****1. Brief statement on Company's philosophy on code of governance.**

Suryalakshmi's corporate culture has meant working always proactively to meet the expectations of its customers, shareholders, employees, business associates, and the society at large and in complying with the dictates of the regulatory framework both in letter and spirit. The Company believes Corporate Governance is an effective instrument for realisation of this corporate aim and accordingly endeavors' to function with integrity in a transparent environment.

2. Board of Directors:

- a) Composition and category of Directors / Number of other Board of Directors or Committees of which Member /Chairman.

Name of the Director	Category	No. of other Directorships and names of Listed Companies of which he / she is a Director	No. of other Board Committees of which Member	No. of other Board Committees of which Chairman
Sri L. N. Agarwal DIN : 00008721	Chairman & Managing Director- Promoter/ Executive	nil	nil	nil
Sri Paritosh Agarwal DIN : 00008738	Managing Director - Promoter/ Executive	nil	nil	nil
Sri R. Surender Reddy DIN : 00083972	Non-Executive - Non-Independent	nil	nil	nil
Sri Dhruv Vijai Singh DIN No. 07180749	Non-Executive - Independent	nil	nil	nil
Smt. Aruna Prasad DIN: 07164087	Non-Executive -Independent	nil	nil	nil
Sri Arvind Sadashiv Mokashi DIN: 09305967	Non-Executive -Independent	nil	nil	nil
Dr. Malapally Chowda Reddy Balaji DIN: 06964971	Non-Executive -Independent	nil	nil	nil

*Excludes directorships, memberships and chairmanships in private, foreign and section 8 Companies.

Note:

Sri R. Surender Reddy -

Second Term of Appointment as Non-Executive Independent Director ended on 31/03/2024 and appointed on 24/05/2024 as Non-Executive Non-Independent Director, in Additional category and further regularized as Non-Executive Non-Independent Director w.e.f. 22/08/2024.

Sri Arvind Sadashiv Mokashi -

Resigned on 25/12/2024.

Dr. Malapally Chowda Reddy Balaji -

Appointed as Non-Executive Independent Director on 16/12/2024 through Postal Ballot

Smt. Aruna Prasad -

Appointed as Non-Executive Independent Director w.e.f. 22/08/2024.

Sri L.N. Agarwal -

Re-appointed as the Chairman and Managing Director w.e.f. 22/06/2024.

Sri Paritosh Agarwal -

Re-appointed as Managing Director w.e.f. 21/06/2025 subject to the approval of the members of the Company.

- b) Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting.

Names of Directors	No. of Board Meetings attended during the period 1 st April, 2024 to 31 st March, 2025	Attendance at the last Annual General Meeting held on 22/08/2024
Sri L. N. Agarwal	4	Present
Sri Paritosh Agarwal	4	Present
Sri R. Surender Reddy	3	Present
Sri Dhruv Vijai Singh	4	Present
Smt. Aruna Prasad	3	Present
Sri Arvind Sadashiv Mokashi	3	Present
Dr. Malapally Chowda Reddy Balaji	1	NA, as Appointed on 16/12/2024

* Refer note below item no. 2(a) for changes in Directors

- c) Number of other Board of Directors or committees in which a director is a member or chairperson.

Refer item no. 2(a)

- d) During the financial year ended 31st March, 2025 – Four Board Meetings were held on 24/05/2024, 13/08/2024, 13/11/2024, and 14/02/2025.

- e) Disclosure of relationships between Directors inter-se relationships:

Names of Directors	Inter-se relationship
Sri L. N. Agarwal	Father of Paritosh Agarwal
Sri Paritosh Agarwal	Son of L. N. Agarwal

- f) The details of shares and convertible instruments held by the Non-Executive Directors of the Company in their individual names as on 31st March, 2025 are furnished below:

Name of the Director	Designation	No. of Equity shares
Sri. R. Surender Reddy	Director	28000
Sri. Dhruv Vijai Singh	Director	NIL
Smt. Aruna Prasad	Director	NIL
Sri. Arvind Sadashiv Mokashi	Director	NIL
Dr. Malapally Chowda Reddy Balaji	Director	NIL

* Refer note below item no. 2(a) for changes in Directors

- g) Web link where details of familiarization programmes imparted to independent directors is disclosed.

<http://www.suryalakshmi.com/investor-corporate-governance.aspx>

- h) A chart or a matrix setting out the skills / expertise / competence of the Board of Directors specifying the following:

The list of the core skills / expertise, etc., identified by the Board of Directors as required in the context of the business(es) and sector(s) for it to function effectively and those actually available with the Board is given below

Businesses of the Company	Core Skills / Expertise / Competencies	Name of the Director having the expertise
a) Yarn	a) Textile Technology - Developments / trends	Sri L. N. Agarwal / Sri Paritosh Agarwal
b) Fabric	b) Cotton Markets - price trends / quality / procurement	Sri L. N. Agarwal / Sri Paritosh Agarwal
	c) Knowledge of Indian / Foreign Markets	Sri Paritosh Agarwal / Sri Dhruv Vijai Singh
	d) Fashion trends / designs	Sri Paritosh Agarwal
	e) Textile machinery – developments	Sri Paritosh Agarwal

Businesses of the Company	Core Skills / Expertise / Competencies	Name of the Director having the expertise
	f) General management / Economy / Administration / strategic thinking / Government policies	Sri Paritosh Agarwal / Sri R. Surender Reddy / Sri Dhruv Vijai Singh / Smt. Aruna Prasad / Dr. Malapally Chowda Reddy Balaji
	g) Financial Markets / Institutions	Sri Paritosh Agarwal / Sri R. Surender Reddy / Sri Dhruv Vijai Singh / Smt. Aruna Prasad
	h) Company's legal environment & implications for the Company.	Sri Dhruv Vijai Singh / Sri Paritosh Agarwal

i) Confirmation from the Board

The Board of Directors confirms that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

j) Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

Sri Arvind Sadashiv Mokashi, a retired banker appointed as a Non-Executive Independent Director on 10/08/2023 for a period of five years resigned on 25/12/2024 due to his personal commitments and has confirmed that there are no other material reasons for his resignation and the same has been furnished to the Stock Exchanges as required by Regulations at appropriate time.

REAPPOINTMENT OF DIRECTORS

The details relating to appointment/ re-appointment of other Directors as required under regulation 36(3) of SEBI (LODR) Regulations, 2015 are provided in the Notice to the Annual General Meeting.

The changes in the Composition of Board of Directors is mentioned in item no. 2(a) of this report.

b. Composition, names of members and Chairperson

- Sri Dhruv Vijai Singh - Chairman, Non-Executive Independent
- Sri R. Surender Reddy - Member, Non-Executive Non-Independent
- Sri Arvind Sadashiv Mokashi - Member, Non-Executive Independent
- Smt. Aruna Prasad - Member, Non-Executive Independent
- Dr. Malapally Chowda Reddy Balaji - Member, Non-Executive Independent

Note:

Sri Arvind Sadashiv Mokashi resigned as member on 25/12/2024, Sri R. Surender Reddy was inducted as member on 24/05/2024, Smt. Aruna Prasad was inducted as member on 15/05/2024, Malapally Chowda Reddy Balaji was inducted as member on 26/12/2024 and Sri Dhruv Vijai Singh was inducted as the Chairperson and Member of the committee on 15/05/2024.

3. AUDIT COMMITTEE

a. Brief description of terms of reference

- Oversight of Company's financial reporting process and disclosure of financial information.
- Review of financial statements before submission to Board.
- Review of adequacy of internal control systems and internal audit functions.
- Review of Company's financial and risk management policies.
- Adequacy of internal financial control system in place and operating effectiveness of such controls

c. Meetings and attendance during the year

During the financial year ended 31st March, 2025 - Four Audit Committee Meetings were held on 24/05/2024, 13/08/2024, 13/11/2024, and 14/02/2025.

Name	No. of the Meetings attended
Sri R. Surender Reddy	3
Sri Dhruv Vijai Singh	4
Sri Arvind Sadashiv Mokashi	3
Smt Aruna Prasad	3
Dr. Malapally Chowda Reddy Balaji	1

* Refer note below item no. 3(b) for changes in members

4. NOMINATION & REMUNERATION COMMITTEE

a) Brief description of terms of reference.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and persons suitable to be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To ensure that the level and composition of remuneration involves a balance reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

b) Composition, Name of members and Chairperson

- Sri Dhruv Vijai Singh - Chairman - Non-Executive Independent
- Smt. Aruna Prasad - Member - Non-Executive Independent

- Sri Arvind Sadashiv Mokashi - Member - Non-Executive Independent
- Dr. Malapally Chowda Reddy Balaji - Member - Non-Executive Independent

note:-

Sri Arvind Sadashiv Mokashi resigned as member on 25/12/2024, Dr. Malapally Chowda Reddy Balaji was inducted as member on 26/12/2024 and Ms. Aruna Prasad was inducted as a member on 15/05/2024.

c) Meetings and attendance during the year

During the financial year ended 31st March, 2025, Nomination and Remuneration Committee Meetings were held on 24/05/2024 and 13/11/2024.

Name	No. of the Meetings attended
Sri Dhruv Vijai Singh	2
Smt. Aruna Prasad	1
Sri Arvind Sadashiv Mokashi	2
Dr. Malapally Chowda Reddy Balaji	0

* Refer note below item no. 4(b) for changes in members

d) Performance evaluation criteria for Independent Directors

The Criteria followed by the Board to evaluate performance of Committees / Independent Directors:

- The concerned Director should be a person of the highest integrity possessing the necessary expertise expected of the Director in his area of the specialization or general business.
- Where the Director is an Independent Director, the Director should also satisfy the requirements of independence both in letter and spirit under the Act / Regulations and does not suffer from any of the disqualifications under Act / Regulations.
- The Director should add value to the diversity of the Board and be honest and free to express his frank opinion in the ultimate interest of the Company.
- The Director should take all reasonable efforts to devote his time to contribute to the deliberations of the Board.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A meeting of the Independent Directors was also held on February 14, 2025 which reviewed the performance of Non-Independent Directors, Chairman and the quality of the information and follow up action is being taken on the suggestions made therein.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Name of Non-Executive Director heading the Committee – Smt. Aruna Prasad

Composition of the Committee:

- (i) Smt. Aruna Prasad - Chairperson (from 26/12/2024).
- (ii) Sri L. N. Agarwal - Member
- (iii) Sri Paritosh Agarwal - Member.
- (iv) Sri Arvind Sadashiv Mokashi - Member (till 25/12/2024)

b) Name and designation of Compliance Officer.

Sri E. V. S. V. Sarma, Company Secretary.

c) Number of Shareholders Complaints received during the financial year.

No. of Complaints received during the Year – Nil

d) Number of complaints not solved to the satisfaction of shareholders - Nil

e) Number of pending complaints - Nil

5A. RISK MANAGEMENT COMMITTEE

a. Brief description of terms of reference

The Company has instituted a proper mechanism for identifying and establishing controls to effectively manage different kinds of risks viz., Trend Related Risks, Raw Material Risks, Brand / Technology Risks, Operational / Quality Risks, Human Resources Risks, Regulatory Risks and Financial Risks.

b. Composition, names of members and Chairperson

- i. Sri Paritosh Agarwal - Chairman, Executive Director
- ii. Sri Siddhant Sharma - Member, Chief Executive Officer (Denim Division)
- iii. Sri R. L. Narayana - Member, President (Amangallu Unit)
- iv. Sri. B. M. Vijaya Kumar - Member, CFO (till 17/10/2024)
- v. Sri Santosh Kumar Agarwal - Member, CFO (from 01/01/2025)

5B. SENIOR MANAGEMENT

Particulars of senior management including the changes therein since the close of the financial year.

Sl. no.	Name	Designation	Remarks
1.	Sri E. V. S. V. Sarma	Company Secretary & Compliance Officer	-
2.	Sri Sudhir Bhansali	President (Finance)	Appointed on 02/12/2024
3.	Sri Santosh Kumar Agarwal	Chief Financial Officer	Appointed on 01/01/2025
4.	Sri Prabal Bhattacharjya /Mr. Vasudeo Tiple	General Manager (Exports)	-
5.	Sri R. L. Narayana	President, Amangallu Unit	-
6.	Sri Siddhant Sharma	Chief Executive Officer, Ramtek Unit, Denim Division	-
7.	Sri S. V. Murthy	Chief Operating Officer, Amravati Unit	-
8.	Sri B. M. Vijaya Kumar	Chief Financial Officer	Resigned on 17/10/2024

6. REMUNERATION OF DIRECTORS

a) All pecuniary relationship or transactions of the Non-executive Directors.

The non-executive Directors did not have any pecuniary relationship or transactions with the Company in the year under review except a payment of ₹ 12 lakhs to Sri Arvind Sadashiv Mokashi towards professional fees for finance consultancy services (being less than 10% of his total income).

b) Criteria of making payment to Non-executive Directors.

No payments are made to Non-Executive Directors, other than sitting fees for attending Board/Committee meetings.

Sitting Fees (for year ended 31/03/2025)

Name	Designation	Amount (₹)
Sri. R. Surender Reddy	Non-Executive Non-Independent Director	22,500/-
Sri. Dhruv Vijai Singh	Independent Director	37,500/-
Smt. Aruna Prasad	Independent Director	27,500/-
Sri Arvind Sadashiv Mokashi	Independent Director	27,500/-
Dr. Malapally Chowda Reddy Balaji	Independent Director	10,000/-

@ Exclusive of incidental expenses

* Refer note below item no. 2(a) for changes in Directors

c) Disclosures with respect to remuneration in addition to disclosures required under the Companies Act, 2013.

- (i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension, etc;

Details of remuneration to the Executive Directors

(During 01/04/2024 to 31/03/2025)

Name	Designation	Salary & Commission (₹)	Perquisites (₹)	Total (₹)
Sri L. N. Agarwal	Chairman & Managing Director	78,00,000	9,600	78,09,600
Sri Paritosh Agarwal	Managing Director	70,20,000	4,54,410	74,74,410

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria - **NIL**

- (iii) Service contracts, notice period, severance fees - **NIL**.

- (iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable -

The Company does not have any stock option plan or performance linked incentive for the Executive Directors. The appointments are made for a period of five years on the terms and conditions in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.

7. GENERAL BODY MEETINGS:

a) Location and time, where last three AGMs held.

Financial Year	Date	Venue	Time
2021-2022	30/07/2022	6 th Floor, Surya Towers, 105 S. P. Road, Secunderabad - 500003 (Through Video Conferencing) Regd. Office	10:30 A.M.
2022-2023	30/09/2023	6 th Floor, Surya Towers, 105 S. P. Road, Secunderabad - 500003 (Through Video Conferencing) Regd. Office	10:30 A.M.
2023-2024	22/08/2024	6 th Floor, Surya Towers, 105 S. P. Road, Secunderabad - 500003 (Through Video Conferencing) Regd. Office	11:00 A.M.

b) Special resolutions passed at the last 3 Annual General Meetings

1. At the AGM held on 30/07/2022 -
 - (i) To Approve the Borrowing Limits.
 - (ii) Ratification of the Remuneration of Cost Auditor.
2. At the AGM held on 30/09/2023 -
 - (i) To ratify creation of mortgage in favor of SBICAP Trustee Company Limited
 - (ii) Appointment of Sri Arvind Sadashiv Mokashi as an Independent Director

(iii) Ratification of the Remuneration of Cost Auditor.

3. At the AGM held on 22/08/2024 -
 - (i) To approve appointment of Sri R. Surender Reddy as a Director liable to retire by rotation.
 - (ii) Appointment of Sri L. N. Agarwal (DIN - 00008721) as Chairman & Managing Director.
 - (iii) To consider appointment of Smt. Aruna Prasad (DIN - 07164087) as an independent director.
 - (iv) Ratification of creation of mortgage.

c) Whether any special resolutions passed last year through postal ballot - details of voting pattern;

Yes, for appointment of Dr. Malapally Chowda Reddy Balaji (DIN - 06964971) as a Non-Executive Independent Director for a period of five years w.e.f. 16/12/2024 till 15/12/2029 through remote e-voting facility.

Sr. No.	Description of Resolution	Details of E-Voting Period	Scrutinizer	Voting Pattern
1.	Appointment of Dr. Malapally Chowda Reddy Balaji, (DIN: 06964971) as an Independent Director with effect from December 16, 2024.	Saturday, November 16, 2024 at 9:00 a.m. IST to Sunday, December 15, 2024 at 5:00 p.m. IST.	Mr. K. V. Chalama Reddy (FCS No.: 9268, COP No.: 5451) of K V C Reddy & Associates, Practicing Company Secretaries	In Favour - 99.9987% Against - 00.0013%

d) Person who conducted the postal ballot exercise

K V C Reddy & Associates, Practicing Company Secretaries, F9268.

e) Procedure for postal ballot

As prescribed in Rules with remote e-voting facility.

f) Whether any special resolution is proposed to be conducted through postal ballot

No Special Resolution is proposed to be conducted through postal ballot.

b) Quarterly results are normally published in which newspapers

The Quarterly results are usually published in Business Standard and Nava Telangana.

c) Any website, where displayed

www.suryalakshmi.com

d) & e) Whether it also displays official news releases and the presentations made to institutional investors or to the analysts.

The website shall be used for this purpose, when the occasion arises.

8. MEANS OF COMMUNICATION.**a) Quarterly results.**

Quarterly report is not being sent to each household of shareholders as shareholders are intimated through the press and the Company's Website <http://www.suryalakshmi.com/investor-financial-information.aspx> and also intimated to the stock exchanges.

9. GENERAL SHAREHOLDER INFORMATION.**a) AGM : Date, Time and Venue**

The AGM is proposed to be conducted through Video Conferencing. Detailed instructions are available in the Notice for AGM.

Date: 30/09/2025

Time: 11:00 A.M.

Venue: Registered Office

b) Financial Year

1st April, 2024 to 31st March, 2025.

c) Dividend Payment Date

No dividend has been recommended.

d) Listing on Stock Exchanges & Stock Code

The shares of the Company continue to be listed on the Stock Exchanges at the National Stock Exchange of India Limited and BSE Limited and the Company has paid upto date all the listing fees to these exchanges.

Name of the Stock Exchange	CODE	Address
The National Stock Exchange of India Limited	SURYALAXMI	Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051
BSE Limited	521200	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

e) In case the securities are suspended from trading, the Directors Report shall explain the reason thereof

Not applicable.

f) Registrar & Share Transfer Agents

Kfin Technologies Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032.
Tel.:040-67162222/1754
Web: www.kfintech.com
Email Id: einward.ris@kfintech.com

g) Share Transfer System:

The share transfers are processed in accordance with the latest SEBI guidelines on issue of securities in dematerialized form in case of service requests.

h) Distribution of shareholding.**Shareholding pattern as on 31.03.2025**

Particulars	No. of Shares	% of Holding
Promoters	1,14,57,889	60.93
Indian Public	61,59,110	32.75
Bodies Corporate	4,69,660	2.50
Banks & Financial Institutions	67,266	0.36
Non-Resident Indians & NRI Non-Repatriable	1,73,293	0.92
Foreign Portfolio - Corp	40,000	0.21
IEPF	1,14,219	0.61
Unclaimed Suspense Account	11,644	0.06
Others (Clearing members, Trusts, HUF)	3,12,209	1.66
TOTAL	1,88,05,290	100.00

Distribution Schedule - Consolidated As on 31-03-2025				
Nominal Value	Holders		Amount	
	Number	% to Total	in ₹	% to total
01-5000	8952	85.28	94,53,140	5.03
5001- 10000	739	7.04	59,68,080	3.17
10001- 20000	387	3.69	58,90,060	3.13
20001- 30000	146	1.39	37,72,680	2.01
30001- 40000	68	0.65	24,54,100	1.30
40001- 50000	46	0.44	21,93,040	1.17
50001- 100000	74	0.71	52,05,570	2.77
100001 & above	84	0.80	15,31,16,230	81.42
Total	10496	100.00	188052900	100.00

i) Dematerialisation of shares and liquidity

The Company's shares are available for dematerialization on both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) **18762567** shares amounting to 99.77% of the Capital have been dematerialised by investors as on 31st March, 2025.

ISIN : INE713B01026

Address of Registrars for Dematerialisation of Shares.

KFin Technologies Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032.
Tel.: 040-6716 2222 / 1754.
Web:www.kfintech.com
Email Id: einward.ris@kfintech.com

j) Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any Convertible instruments, conversion date and likely impact on equity.

No outstanding instruments.

k) Commodity price risk or foreign exchange risk and hedging activities.

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

l) Plant Locations

Yarn Divisions

- a) Amangallu Mandal, Amangallu
Ranga Reddy Dist.
Telangana - 509 321

b) Amravati

Plot No. T-3, Textile Park,
Addl. Amravati Industrial Area,
Nandgaonpeth M.I.D.C.
Amravati Dist.
Maharashtra - 444901

Denim Division

Ramtek, Mauda Road
Village Nagardhan, Tehsil Ramtek,
Nagpur. Dist.
Maharashtra - 440 010

m) Address for correspondence:

- i) for transfer / dematerialisation of share, change of address of members and other queries relating to the shares of the Company:

M/s. KFin Technologies Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032.
Tel.: 040-6716 2222 / 1754
Web:www.kfintech.com
Email Id: einward.ris@kfintech.com

- ii. If any queries relating to dividend, annual reports, etc.

The Company Secretary,
Suryalakshmi Cotton Mills Limited,
6th Floor, Surya Towers, 105, S. P. Road,
Secunderabad – 500 003.
Phone No(s) : 040 - 27885200
Email ID: cs@suryalakshmi.com

- n) ICRA, the rating agency has reaffirmed the **Long-Term Fund Based / Cash Credit** and **Long-Term Fund Based - Term Loan** rating to "[ICRA] **BBB (Stable)**" (pronounced ICRA Triple B); **Short-Term Non-Fund-Based** rating to **[ICRA] A3+** (pronounced ICRA A Three Plus); and **Long-Term / Short-Term Unallocated facilities** rating to **[ICRA] BBB (Stable) / [ICRA] A3+** (pronounced ICRA Triple B and pronounced ICRA A Three Plus)".

10. OTHER DISCLOSURES

- a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.**

During the year under review, your Company has not entered into any material transaction with any of its related parties or entity belonging to the Promoter / Promoter Group which holds 10% or more shareholding in the Company. Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. Omnibus approval was granted by the Audit Committee for transactions entered with related parties for the financial year 2024-25 and the same was reviewed / cleared by the Audit Committee at quarterly intervals. The necessary disclosures in compliance with the Accounting Standards regarding the related party transactions are given in the Notes to the financial statements.

The policy on the Related Party Transactions is hosted on the company's website at the web link: <http://www.suryalakshmi.com/policyonrelated.html>

- b) **Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company received two show cause notices from BSE and NSE dated 06/09/2024 (for June quarter ended 30/06/2024) and 21/11/2024 (for September quarter ended 30/09/2024) requiring the Company to show cause why the prescribed penalty of ₹ 626580/- and ₹ 429520/- respectively for delay in complying with the regulations of 17(1) and 17(1A) of SEBI (LODR) Regulations 2015 should not be levied. The Company's application for waiver of the proposed penalties is still pending for consideration by the exchanges.

- c) **Details of establishment of Vigil Mechanism, Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.**

The Company has in place a Whistle Blower policy for vigil mechanism for Directors and employees to report to the management about unethical behavior, fraud, violation of Company's Code of Conduct. None of the Personnel has been denied access to the audit committee. The Whistle Blower policy is placed on the website of the Company at <http://www.suryalakshmi.com/investor-corporate-governance.aspx>.

- d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.**

Mandatory requirements: All complied with.

Discretionary requirements:

- (i) The Board: The Board is headed by an Executive Chairman.
- (ii) Shareholder Rights: Half-yearly reports is not being sent to each household of shareholders as shareholders are intimated through the press and the Company's website www.suryalakshmi.com.
- (iii) Audit qualifications: There are no audit qualifications in the Audit Report.
- (iv) Separate posts of Chairman and CEO. There are no separate posts of Chairman & CEO.
- (v) Reporting of Internal Auditor.

The Internal Auditor submits his report to the Managing Director and also to the Audit Committee for review, where the Company submits its replies and action taken on the report.

- e) **Web link where policy for determining 'material' subsidiaries is disclosed.**

Not applicable as the Company has no subsidiary.

- f) **Web link where policy on dealing with related party transactions.**

The policy on the Related Party Transactions is hosted on the company's website at the web link: <http://www.suryalakshmi.com/investor-corporate-governance.aspx>.

g) Disclosure of commodity price risks and commodity hedging activities.

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

No funds were raised by the Company through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority – **Annexed.****j) There has been no occasion where the Board did not accept any recommendation of any Committees of the Board which is mandatorily required during the year under review.****k) Given below are the details of total fees for all services paid to M/s. Brahmayya & Co., Chartered Accountants and Statutory Auditors of the Company on a consolidated basis during the financial year ended 31/03/2025.**

Sl. No.	Payments to the Statutory Auditors (excluding taxes)	Fees paid (₹ lakhs)
1.	Statutory Audit fees paid for Audit of the Company and Subsidiary Companies situated in India	5.00
2.	Fees paid for other services.	0.71
3.	Tax Audit	1.00
	TOTAL	6.71

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- (i) No. of complaints filed during the financial year – nil
- (ii) No. of complaints disposed off during the financial year – nil
- (iii) No. of complaints pending as on end of the financial year – nil

appointment of the statutory auditors of such subsidiaries.

The Company does not have any subsidiaries.

m) Disclosure by listed entity and its subsidiaries of "Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.

NIL.

n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of**11. non-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT SUB-PARAS (2) TO (10) ABOVE WITH REASONS THEREOF:**

All the requirements of Corporate Governance Report sub-paras (2) to (10) are complied with.

12. THE CORPORATE GOVERNANCE REPORT SHALL ALSO DISCLOSE THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED.

Details given under 10(d) of the above.

13. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) to (i) of SUB-REGULATION (2) OF REGULATION 46 ARE AS GIVEN BELOW:

Regulation	Particulars of Regulations	Compliance Status (Yes / No)
17	Board of Directors *	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NOT APPLICABLE
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	NOT APPLICABLE
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Dissemination of information on website	Yes

* Please refer to Item No. 10(b) above.

D. Declaration signed by the Chief Executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

See below.

E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the Directors' Report.

Annexed

F. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT.

1. (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;

10 shareholders -11977 shares

- (ii) number of shareholders who approached listed entity for transfer of shares from suspense account during the year;

NIL

- (iii) number of shareholders to whom shares were transferred from suspense account during the year;

NIL

- (iv) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.

9 shareholders -11644 shares

- (v) the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

2. Suspense Escrow Demat Account.

As per SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company has opened a demat account DP ID IN301330 and Client ID 41752537 in the name of "Suryalakshmi Cotton Mills Limited Suspense Escrow Demat Account" with Stock Holding Corporation of India Limited, Hyderabad - 500 034, Telangana State, India.

The Company so far has not issued "Letter of Confirmations" to the shareholders, to enable them to dematerialize the same and hence there are no cases where the Letter of Confirmations are pending for dematerialization for more than 120 days. Hence, no shares were transferred to Suryalakshmi Cotton Mills Limited Suspense Escrow Demat Account.

G. Disclosure of certain types of agreements binding listed entities.

(1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.

No agreement of the nature specified in Clause 5A of part A of Schedule II to SEBI (LODR) 2015 has been entered into by the Company during the year.

CEO'S DECLARATION REGARDING CODE OF CONDUCT

As provided under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with Suryalakshmi Cotton Mills Limited Code of Conduct for the year ended 31st March, 2025.

for SURYALAKSHMI COTTON MILLS LIMITED

Place: Secunderabad
Date: 27th May, 2025

L. N. AGARWAL
CHAIRMAN & MANAGING DIRECTOR
(DIN - 00008721)

CEO / CFO CERTIFICATION

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, 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 internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Secunderabad
Date: 27th May, 2025

SANTOSH KUMAR AGARWAL
CHIEF FINANCIAL OFFICER
(M. No. - A200290)

PARITOSH AGARWAL
MANAGING DIRECTOR
(DIN - 00008738)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of **Surya lakshmi Cotton Mills Limited**

I have examined the compliance of the conditions of Corporate Governance by Surya Lakshmi Cotton Mills Limited ("Company"), and examine the records for the purpose of certifying compliance of the conditions of the Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), for the financial year ended 31st March, 2025. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of our information and according to the explanations and information furnished to us, and based on the representations made by the directors and the management, i certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing regulations"), as applicable for the said financial year ended 31st March, 2025

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

For K V C REDDY & ASSOCIATES

Company secretaries

K.V. Chalama Reddy

(Proprietor)

F.C.S : 9268, C P No.: 5451

P R No.: 2301/2022

UDIN Number : F009268G000419084

Place: Hyderabad

Date : 27th May, 2025

CERTIFICATE UNDER SCHEDULE V(C)(10)(I) OF SEBI

To
The Members,
Suryalakshmi Cotton Mills Limited
Hyderabad.

Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

We have examined the Company and Registrar of Companies records, books and papers of Suryalakshmi Cotton Mills Limited (CIN: L17120TG1962PLC000923) having its Registered Office at 6th Floor, Surya Towers, 105 Sardar Patel Road, Secunderabad – 500003, Telangana State, India ("the Company") as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable Rules and Regulations made thereunder for the Financial Year ended on 31st March, 2025.

In our opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2025:

S. No.	DIN No.	Name of the Director	Designation
1)	00008721	Sri. Lakshmi Narayan Agarwal	Managing Director and Chairman/promoter
2)	00008738	Sri. Paritosh Kumar Agarwal	Managing Director/promoter
3)	00083972	Sri. Surender Reddy Ramasahayam	Non-Executive Non- Independent Director
4)	07164087	Smt. Aruna Prasad	Non-executive Independent Director / Woman
5)	07180749	Sri. Dhruv Vijai Singh	Non-Executive Independent Director
6)	06964971	Dr. Malapally Chowda Reddy Balaji	Non-Executive Independent Director

For K V C REDDY & ASSOCIATES

Company secretaries

K.V. Chalama Reddy

(Proprietor)

F.C.S : 9268, C P No.: 5451

P R No.: 2301/2022

UDIN Number : F009268G000418732

Place: Hyderabad

Date : 27th May, 2025

ANNEXURE – II

CSR REPORT

1. Brief outline on CSR Policy of the Company.

Suryalakshmi is acutely conscious of the contribution of the society at large to its growth and wellbeing as a corporate citizen. To this end the Company has formulated a CSR policy which recognizes the policy as an engine for inclusive growth. The Company has worked on areas like health care, animal welfare, promotion of rural education, drinking water supply, agro forestry, etc. The Company is working on identifying more areas which will have a wider impact on the society and the environment, in the areas where it operates.

CSR activities of Suryalakshmi are carried out through:-

Contributions to various Trusts / Societies and directly by Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sri Dhruv Vijai Singh	Chairman	4	4
2.	Sri L. N. Agarwal	Member	4	4
3.	Sri Paritosh Agarwal	Member	4	4

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.

For CSR Committee: <http://www.suryalakshmi.com/investor-corporate-governance.aspx>

For CSR Policy: <http://www.suryalakshmi.com/investor-corporate-governance.aspx>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable - as the Company does not have an average CSR obligation of ₹ 10 crores or more in the three immediately preceding financial years.

5. (a) Average net profit of the company as per sub-section (5) of section 135.

₹ 2293.28 lakhs

- (b) Two percent of average net profit of the company as per sub-section (5) of section 135.

₹ 45.87 lakhs

- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

₹ 27.61 lakhs

- (d) Amount required to be set off for the financial year, if any.

₹ 27.61 lakhs

- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]

₹ 18.26 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

₹ 23.45 lakhs

- (b) Amount spent in Administrative Overheads.

Nil

- (c) Amount spent on Impact Assessment, if applicable.

Nil

- (d) Total amount spent for the Financial Year [(a)+(b)+(c)].

₹ 23.45 lakhs

- (e) CSR amount spent or unspent for the Financial Year:

NIL.

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of Transfer.

- (f) Excess amount for set-off, if any:

Sr.No	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 45.87 lakhs
(ii)	Total amount spent for the Financial Year	₹ 23.45 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(-) ₹ 22.42 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 27.61 lakhs
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 5.19 lakhs

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance amount in Unspent CSR account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹).	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1.	FY-1							
2.	FY-2			NIL				
3.	FY-3							
	Total							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: (Yes/ No).

No.

If Yes, enter the number of Capital assets created /acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable.
10. The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

For and on behalf of Corporate Social Responsibility Committee
for **Suryalakshmi Cotton Mills Limited**

Place: Secunderabad
Date: 27th May, 2025

Dhruv Vijai Singh
Chairman of CSR Committee
(DIN - 07180749)

L. N. Agarwal
Member of CSR Committee
(DIN - 00008721)

ANNEXURE – III**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31-03-2025

FORM NO. MR- 3

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

To,
The Members,
Surya Lakshmi Cotton Mills Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Surya Lakshmi Cotton Mills Limited** (hereinafter called as **“the Company”**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

1. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I 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.
2. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 (“Audit Period”) 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 there under;
 - 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; ***Not applicable during the audit period***
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: ***not applicable to the Listed Entity during the Review Period***
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: ***not applicable to the Listed Entity during the Review Period***
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***not applicable to the Listed Entity during the Review Period***
 - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: ***not applicable to the Listed Entity during the Review Period***
 - (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (h) Securities and Exchange Board of India (Depositories and participant) Regulations, 2018;

- (i) Other regulations as applicable: **not applicable to the Listed Entity during the Review Period**
- vi. The Company is into business of manufacture and sale of Cotton & blended yarns and denim fabric. Accordingly, the following Industry specific Acts are applicable to the Company, in the view of the Management:
- i) The Essential Commodities Act, 1955 and rules and notifications made thereunder
- ii) The Electricity Act, 2003 and rules and regulations made thereunder
- vii. We have also examined compliance with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of board and general meetings of the Company.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, and Guidelines etc., mentioned above except as stated below :-

There was delay of 4 months 21 days in maintaining the minimum strength of board of directors of the Company in terms of Regulation 17 of the SEBI (LODR) Regulations, 2015 and delay of 3 months in obtaining the shareholder's approval for appointment of Mr. R. Surender Reddy as a Non-executive non-independent director in terms of 17(1A) of the SEBI (LODR) Regulations, 2015.

In this regard the Management has submitted a waiver application to the exchanges which is still under the consideration of relevant authorities.

3. We, further report that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

4. We, further report that there exist adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
5. We further report that the above mentioned Company being a listed entity this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 08th February, 2019 issued by Securities and Exchange Board of India.
6. We further report that as per the information and explanation provided by the management, the Company does not have any material unlisted subsidiary(ies) incorporated in India pursuant to Regulation 16(c) and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.
7. The Company ratified by passing the resolution in terms of section 180 of the Companies Act, 2013 the mortgaging /charging by the board of directors of the Company all the immovable properties of the Company situated at Amangallu and Amravati in favour of SBI Cap Trustee acting for itself and on behalf of SBI, Union Bank of India and Punja National Bank to secure the term loan of Rs 21 crore from SBI and Working Capital Limits of Rs 224.35 crores from SBI, PNB and Union Bank of India.

There were no other specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc referred above.

For K V C REDDY & ASSOCIATES
Company Secretaries

K. V. Chalama Reddy
(Proprietor)

F.C.S : 9268, C P No.: 5451

P R No.: 2301/2022

UDIN Number : F009268G000418897

Place: Hyderabad

Date : 27th May, 2025

This report is to be read with my letter of even date which is given as **Annexure 'A'** and forms an integral part of this report.

Annexure 'A'

To,
The Members
Surya Lakshmi Cotton Mills Limited
Hyderabad

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

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

For K V C REDDY & ASSOCIATES
Company Secretaries

K. V. Chalama Reddy
(Proprietor)

F.C.S : 9268, C P No.: 5451

P R No.: 2301/2022

UDIN Number : F009268G000418897

Place: Hyderabad
Date : 27th May, 2025

ANNEXURE – IV**Details as required under Companies (Accounts) Rules, 2014.****A. CONSERVATION OF ENERGY**

(i) the steps taken or impact on conservation of energy;	<ul style="list-style-type: none"> • Energy Efficient Yamuna make Stanter installed • IE3 Motor installed • IR 6400 CFM Centrifugal air compressor reconditioning and overhauling • Jupiter make Energy Efficient Sheet Dye Machine installed • LED lights installed. • Periodic Steam / Air Audits.
(ii) the steps taken by the company for utilising alternate sources of energy;	<ul style="list-style-type: none"> • Rice Husk utilization • 1 MW solar power plant (Amangallu)
(iii) the capital investment on energy conservation equipments;	₹ 1520.90 lakhs

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption;	<ul style="list-style-type: none"> • To enhance product designs, sustainability and functionality, production of wider width denim, Slasher dyeing +sizing range • Sustainable production method of waterless dyeing with water consumption reduced by 80%, cleankore dyeing with reduced chemical dye consumption and increased use of eco-friendly materials like Organic Cotton, Regenagri cotton, recycled denim.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	Reduced environmental impact with improved production and cost reduction
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	New energy efficient wider width air jet looms
(a) the details of technology imported;	Latest technology wider width energy efficient looms
(b) the year of import;	2023
(c) whether the technology been fully absorbed;	Yes
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable
(iv) the expenditure incurred on Research and Development.	Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	(Figures in ₹ Lakhs) 2024-25	(Figures in ₹ Lakhs) 2023-24
Foreign Exchange Earned		
FOB Value of Exports	18,401.58	16,911.77
CIF Value of Exports	18,604.96	17,055.93
Foreign Exchange Used		
(a) Commission on export sales	139.26	243.65
(b) Foreign Travel Expenses	25.48	21.69
(c) Raw material	---	12.99
(d) Plant & Machinery & Others	54.96	874.72
(e) Stores & Spares	610.04	1,317.57
(f) Foreign Technical and Consultancy Services and	9.50	6.72
(g) Others	67.39	44.99

ANNEXURE – V

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Developments

Economic Overview

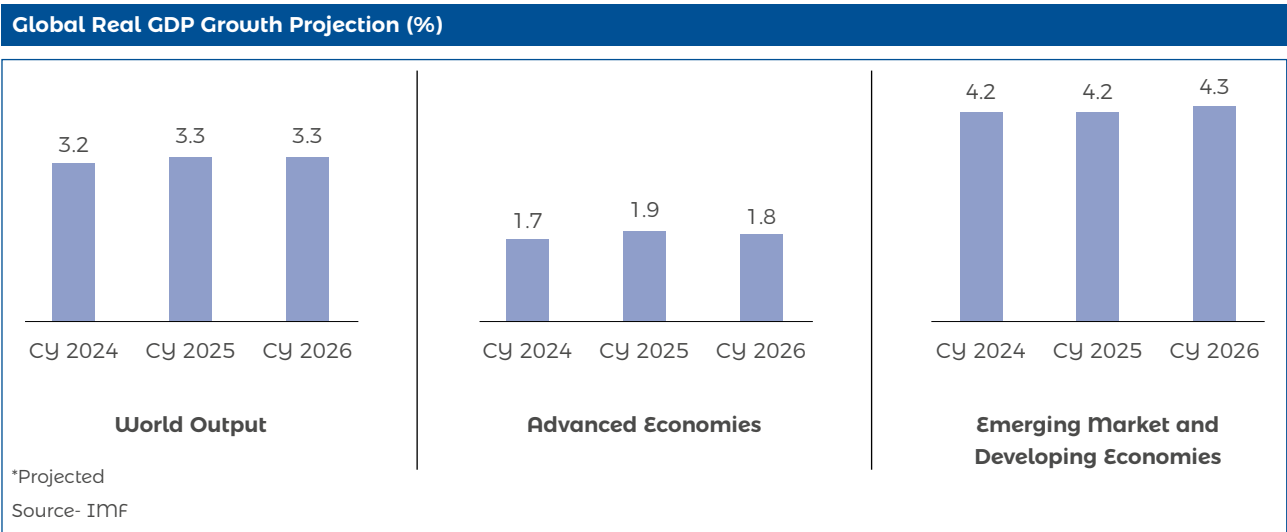
Global Economy¹

The global economy has shown remarkable strength despite persistent geopolitical tensions, changing trade patterns and adjustments in monetary policies, maintaining a growth rate of 3.3%. The US economy witnessed considerable growth. This growth was directed by a robust corporate sector and elevated employability. In contrast, the Europe faced stagnation, particularly in Germany, where economic growth was constrained by sluggish manufacturing and weak export performance. Heightened foreign investments and a robust domestic demand facilitated the growth in emerging markets, which outpaced the growth in developed economies, achieving a growth rate of 4.3% compared to 1.8% in advanced nations. The economy of China exhibited a 5.0% growth which was below expectations.

A key element contributing to global economic stability has been the notable reduction in inflation. Global inflation

decreased from 6.6% in CY 2023 to 5.7 in CY 2024, stabilising prices and encouraging economic activity. This disinflation trend was supported by proactive monetary policies and stable energy supplies, which enhanced business confidence and maintained economic momentum.

The global economy is projected to sustain a growth rate of 2.8 % in CY 2025 and 3.0 in CY 2026, driven by continued accommodative monetary policies aimed at maintaining price stability, stimulating economic activity and enhancing employment. However, uncertainties stemming from reciprocal tariffs imposed by the US on its imports are disrupting global trade dynamics, leading to increased costs, supply chain disruptions and heightened risks of recession. In response, global leaders are actively engaging in diplomatic efforts, forming trade alliances and pursuing strategic negotiations to ease these tensions and stabilize international trade. As these uncertainties begin to subside, inflationary pressures are expected to moderate, with global headline inflation projected to decline to 4.2% in CY 2025 and further to 3.5% in CY 2026.



¹ <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

Indian Economy²

India's economy remains a major contributor to global growth, registered a growth rate of 6.5% GDP in FY 2025.³ This strong performance was driven by rising rural demand, increasing foreign investments and supportive government policies that encouraged both consumption and investment. The services sector contributed significantly, supported by higher consumer activity, while manufacturing remained a key growth pillar. Inflation eased slightly, though elevated food prices continue to pressure household spending. The textile sector benefited from steady domestic consumption and resilient exports of Ready-Made Garments (RMG) and cotton yarn, despite global headwinds.

India's textile exports including cotton yarn, fabrics and RMG have shown resilience amid global trade volatility. However, the sector faces hurdles from rising input costs and weak external demand. The government's Production-Linked Incentive (PLI) scheme has helped improve the industry's global competitiveness, offering necessary support to counter these challenges.

India is well-placed to maintain its growth trajectory, supported by cooling inflation, which is expected to revive consumer sentiment and boost spending. Continued infrastructure investments and capital expenditure by the government are expected to drive sectoral expansion. However, newly imposed U.S. tariffs may impact exports, especially given the \$129.2 billion trade volume in 2024. While a trade deficit of \$45.7 billion persists for the U.S., ongoing bilateral discussions signal optimism. Backed by strong foreign reserves, prudent fiscal measures and stable policy frameworks, India is set to enhance its position in the global economic landscape.

GDP Growth Trend in India



Source: PIB

Industry Overview

Indian Textile Industry

In FY 2024-25, India's textile and apparel exports, including handicrafts, grew by 7% during April-October 2024, reaching \$21.358 billion, with ready-made garments contributing 41% of the total growth.⁴

The government has launched several initiatives aimed at enhancing the productivity and sustainability of the textile sector. Initiatives such as the PM MITRA Park Scheme, focus on the creation of integrated textile parks to streamline the value chain right from spinning to manufacturing. This scheme, with an outlay of ₹4,445 crore, aims to establish seven modern textile parks to facilitate technological advancements and improve infrastructure. These parks are expected to heighten innovation and attract investment, establishing India as a global hub for textile manufacturing. Further, the government has introduced the Production-Linked Incentive (PLI) Scheme to promote Man-Made fibre (MMF) apparels and technical textiles.

The Cotton Mission launched by the government is aimed at revitalising India's cotton sector by boosting productivity and encouraging sustainable practices among farmers. Alongside, the revision in customs duties on imported fabrics aims to shield domestic manufacturers from cheap imports and promote local production.⁵ These policy changes are expected to support textile hubs across India and foster a competitive domestic market. As India aspires to become a global textile leader, continued collaboration between the government, industry stakeholders and farmers will be key to enhancing production and integrating sustainability and advanced technologies within the sector.

As India continues on its journey towards becoming a global leader in textiles, collaboration between government bodies, industry stakeholders and farmers will be crucial. The initiatives undertaken aim to augment production and elevate the integration of sustainability and advanced technologies within the sector.

2 https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?yr=2025&mon=1
3 <https://pib.gov.in/PressReleasePage.aspx?PRID=2106921#>
4 <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2089508&>
5 <https://pib.gov.in/PressReleasePage.aspx?PRID=2089306>



Opportunities

Increased Government Allocation

The Indian government has raised its budget allocation for the textile industry to ₹4,417 crore for FY 2024-25, a 28.29% increase from the previous year. This funding is directed towards central schemes and projects, enhancing infrastructure and support for the sector.⁶

PM MITRA Parks Development

The establishment of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks is underway, with an investment potential exceeding ₹18,500 crore. These parks will provide world-class infrastructure and are expected to enhance production efficiency and attract foreign investment.⁷

Focus on Technical Textiles

The demand for technical textiles is witnessing a rise owing to their application in various sectors such as healthcare and automotive. Government initiatives are promoting the development of engineered fabrics. This presents a lucrative opportunity for manufacturers to innovate and capitalise on the market demand.

Sustainability Initiatives

There is a growing emphasis on sustainability within the textile sector, with heightened demand for organic cotton and eco-conscious practices. This trend is bolstered by government policies encouraging the integration of sustainable production methods, which further enables companies to stay aligned with global sustainability objectives.

Digital Transformation

The textile industry is embracing advanced digital technologies such as Artificial Intelligence (AI) and heightening automation to optimise operational efficiency and quality control. This digital transformation presents opportunities to companies to innovate processes and elevate customer engagement through e-commerce platforms.



Challenges

Overdependence on Cotton

India's textile sector has traditionally focused on cotton, whereas globally, Man Made Fibers (MMF) consumption is dominant, constituting 77% of global fibre consumption in 2024. This reliance on cotton limits India's competitiveness in international markets, highlighting the need for India to diversify and enhance MMF production.

Industry Fragmentation and Scale Limitations

The dominance of Micro, Small and Medium Enterprises (MSMEs) in the textile sector restricts scalability and operational efficiency. This fragmentation leads to increased logistical costs and hinders the industry's ability to effectively compete on a global scale.

Limited Foreign Direct Investment (FDI) and Technological Constraints

The influx of Foreign Direct Investment (FDI) has been relatively low in the sector. This hampers technological advancements and results in a reliance on imported textile machinery. This dependence hinders modernisation of the sector and its ability to compete with technologically advanced global counterparts.

Regulatory and Policy Challenges

Complex bureaucratic procedures and pre-shipment inspection certificates hinder the growth of textile exports. These bureaucratic hurdles elevate costs and slow down logistics, creating further challenges for Indian exporters to compete with their global counterparts.

⁶ <https://pib.gov.in/PressReleasePage.aspx?PRID=2099411>

⁷ <https://pib.gov.in/PressReleasePage.aspx?PRID=2114277>

Indian Denim Industry

The Indian denim industry achieved notable expansion in recent years, directed by factors such as, rising disposable incomes, heightened fashion consciousness and rapid urbanisation.

Sustainability has become a defining trend within the Indian denim sector. Consumers are increasingly prioritising eco-conscious products. This shift is prompting manufacturers to adopt practices such as, utilisation of organic cotton, recycled fibres and water-saving technologies. Brands are launching collections that emphasise reduced environmental impact and are aligned with the global movements towards conscious consumerism and the Indian Government's green initiatives.

The premium and designer denim segments are witnessing notable growth, fuelled by a burgeoning middle class with higher disposable income and a fashion-conscious youth. Consumers are seeking high-quality, stylish denim products that offer both comfort and alignment with global fashion trends. This shift has led to increased traction for brands which offer innovative designs and superior quality, particularly in urban areas.

Despite its growth, the Indian denim industry faces multiple challenges, which include price sensitivity among consumers and competition from global brands. A Balance between quality and affordability remains crucial, especially in tier-2 and tier-3 cities where budget-conscious consumers dominate the market. Additionally, international brands entering the Indian market pose competitive risks, necessitating differentiation through unique designs, superior quality, or enhanced customer service.

Opportunities abound in the Indian denim market, particularly with the growing middle class and rapid urbanisation. As disposable incomes rise, more consumers are embracing denim as a fashion staple. The expansion of e-commerce further facilitates access to a broader consumer base, including those in remote areas, enhancing the market's reach and potential.

Innovation remains a foundation for the industry's future. Manufacturers are exploring advancements such as smart fabrics with UV protection and moisture-wicking properties, adopting automation and digitisation to streamline production. These technological advancements are poised to augment product quality and consumer experience and establish India as a competitive player in the global denim market.

By focusing on innovation, adopting eco-friendly practices and leveraging opportunities in both domestic and international markets, the industry can further solidify its position as a global leader in denim production and fashion.

Opportunities and Challenges

Opportunities

Sustainable Production Practices

With increasing global emphasis on environmental responsibility, Indian denim manufacturers are adopting eco-friendly methods, such as utilisation of organic cotton, eco-friendly dyes and water-saving technologies. This shift not only meets consumer demand for sustainable products but also positions India as a leader in green textile manufacturing.

Customisation and Personalisation

There's a growing consumer preference for personalised denim products. Indian brands offering customisation options, such as tailored fits and unique designs, can cater to this demand, garnering customer loyalty and differentiating themselves in the market.

Expanding Export Markets

India's textile sector is experiencing increased demand from international markets; particularly as global retailers seek alternatives due to disruptions in other manufacturing hubs. This trend opens avenues for Indian denim exporters to strengthen their presence globally.

Government Support and Policy Initiatives

The Indian government is implementing measures to boost the textile industry. These measures include financial support, tariff reductions on key inputs and incentives for local production. Such policies enhance the competitiveness of Indian denim manufacturers both domestically and internationally.

Challenges

Intense Competition

Indian denim manufacturers face stiff competition both domestically and internationally. Countries such as China, Bangladesh and Vietnam benefit from lower production costs and more structured manufacturing capabilities, posing significant challenges for Indian producers. To remain competitive, Indian manufacturers focus on innovation, pricing strategies and quality enhancement.

Fluctuating Raw Material Costs

Cotton, the primary raw material for denim, experiences price volatility due to factors such as weather conditions, pest infestations and global market fluctuations. These inconsistencies affect the final product's pricing and can impact profitability for manufacturers.

Environmental Concerns

Denim production is resource-intensive, requiring substantial amounts of water, chemicals and energy. This

leads to environmental issues like water depletion, soil contamination and high energy consumption. Adopting sustainable manufacturing practices is essential to mitigate these impacts and capitalise on the growing consumer demand for eco-friendly products.

Technological Limitations among Small Manufacturers

Smaller denim producers often lack access to advanced technology and automation, resulting in higher labour costs and lower production efficiency. This technological gap hinders their ability to compete with larger, more automated manufacturers, leading to challenges in meeting the demand and maintaining product quality.

Company Overview

Suryalakshmi Cotton stands as one of India's premier integrated manufacturers, specialising in premium yarn and denim production. With a legacy spanning six decades, the Company has established itself as a key Original Denim Manufacturer (ODM) for renowned global and domestic brands, commanding a significant share in the premium denim segment. Equipped with state-of-the-art spinning technology, advanced design capabilities and fully integrated manufacturing facilities, it crafts high-quality yarn and denim for top private labels, fashion brands and retail chains across worldwide.

With presence across the entire value chain from yarn production to denim fabric manufacturing, the Company leverages insights to predict economic trends and industry shifts, enabling proactive decisions. Established in 1962, the Company has a vertically integrated business, leveraging decades of expertise in spinning and denim production. With

a focus on automation, precision controls and future-ready technology drives sustainable, profitable growth aligned with responsible business practices. The company has developed over 3000 high-quality denim variants and ensures quick turnaround while maintaining strict sustainability and compliance standards.

As a key player in India's 'Make in India' initiative, Suryalakshmi Cotton aims to position India as a global hub for denim manufacturing. Its spinning mills in Telangana and Maharashtra support fully integrated operations that ensure high sales realisations per meter through efficient forward and backward integration. With international design expertise and trend-focused offerings, the company continues to strengthen its dominance in premium yarn and ODM segments. It upholds high standards of health, safety and environmental regulations, demonstrating a firm commitment to ethical and sustainable practices.

[12]

Countries worldwide presence.

Core Strengths

Certifications

The Company is dedicated to winning customer trust and loyalty by consistently delivering top-tier products that meet the client's expectation of value and performance. Through advanced and automated manufacturing facilities, along with specialised denim finishing processes, the company ensures superior product standards. By actively listening to and learning from customers, Suryalakshmi Cotton drives continuous improvements in its processes, products and services to maintain alignment with evolving customer needs.

The Company's manufacturing operations has earned Certifications in areas such as, quality, health and safety, environment and ethical areas.

Some of them are:

- ISO 14001:2015 Certification
- ISO 9001:2015 Certification
- Global Organic Textile Standard (GOTS) Version 7.0
- Global Recycled Standard (GRS Version 4.0), Organic Content Standard (OCS Version 3.0), Recycled Claim Standard (RCS Version 2.0)
- Oeko-Tex Standard 100
- Regenagri Chain of Custody Criteria - Textiles Version 1.0

As part of the adherence protocols for USA and European clients such as VF Corporation and Levi's, the Company guarantees compliance with social and environmental assessment audits conducted by third-party auditors.

Product Wise Performance

The Company collaborates extensively with global fashion brands to swiftly bring innovative yarns, denim and fabrics to the market. Working closely with design, sourcing and production teams of both international and local clients. It has developed 3000 specialised high-quality denim variants with rapid production turnaround times. Upholding high standards of innovation, design and service from yarn creation to denim fabric. The Company aligns with 'Make in India' initiative and aims to establish itself as a global leader in denim manufacturing.

Yarn

The Company specialises in producing high-performance cotton, polyester and blended yarns for both export and domestic markets, as well as its denim division. By leveraging advanced R&D capabilities and an in-depth understanding of raw materials, the company develops specialty and functional yarns with optimised properties. Utilising cutting-edge technology and machinery from global suppliers, it focuses on modernisation and automation to stay aligned to emerging trends in yarn technology and fashion.

The spinning operations are equipped with advanced machinery to produce a diverse range of yarns, including polyester cotton, synthetic and fancy yarns. These facilities utilise cutting-edge technologies such as Amsler Slub, Core Spun systems and Eli Twist for compact yarns, ensuring high-quality production tailored for denim manufacturing. The plants are strategically located in different regions and are designed to accommodate specialised processes for producing value-added yarns like Ring Spun, Open End, Core Spun, Slub and Compact varieties.

The infrastructure supports significant production capacity across multiple units, enabling efficient output of premium yarn products. These operations are complemented by stringent quality control measures and innovative spinning techniques to meet evolving industry demands while maintaining sustainability and adhering to environmental standards.

Denim

Over the last three decades, the Company has expanded into denim cloth manufacturing as part of its forward integration strategy. The company operates a state-of-the-art, fully integrated fabric production facility in Ramtek, Nagpur, Maharashtra, with an annual capacity of 40 million meters, enables it to achieve one of the highest per meter sales price realisations in the industry.

The Company fabric development process is customer-centric, focused on custom-engineering of extensive variety of finish chemistries to meet diverse fabric requirements. Equipped with advanced dyeing, weaving and finishing technologies, the company has delivered over 3000 specialty denim fabric varieties to customers worldwide.

Discussion on financial performance with respect to operational performance

(Rs. in Lakhs)

Particulars	FY 2024-25	FY 2023-24
Revenue From Operations	79,176.46	78,240.81
EBITDA	5,574.21	5,424.73
PBT	552.24	622.42
PAT	363.32	360.75

Key Ratios

Particulars	FY 2024-25	FY 2023-24	Reasons
			Details of significant changes (i.e. change of 25% or more as compared to the immediately previous Financial Year) in key financial ratios
Debtors' turnover ratio (in times)	4.35	4.84	-
Inventory turnover ratio (in times)	3.68	4.19	-
Interest coverage ratio (in times) (including Debt repayment)	1.33	0.88	Improved due to lower repayments during the current Financial Year.
Current ratio (in times)	1.27	1.25	-

Particulars	FY 2024-25	FY 2023-24	Reasons
			Details of significant changes (i.e. change of 25% or more as compared to the immediately previous Financial Year) in key financial ratios
Total debt equity ratio (in times)	1.05	0.85	-
Operational profit margin (in %)	4.74	4.62	-
Net profit margin (in %)	0.46	0.46	-
Return on net worth (in %)	1.35	1.36	-

Outlook

Considering the international scenario throwing up new challenges at regular intervals, the Company has been trying to partner with a couple of more European brands to spread the risks in future. The Company proposes to explore new markets like South America, Egypt, Indonesia, and South Korea while making every effort to increase business with existing brand leaders like WalMart, Levi's, Kontoor, and Amazon. Further the Company relentlessly pursues the sustainability initiatives undertaken. The company continues to offer unique product mix and excellent service support as always.

Risk and Concerns

The Company places significant emphasis on risk management and recognises it as a critical component of its operations. A robust framework is in place to identify, assess and address risks across all business areas. This framework includes regular risk evaluations, monitoring of essential indicators and the development of strategies to mitigate identified risks. Additionally, a dedicated Risk Management Committee, comprising senior executives, supervises this framework. The committee regularly reviews policies and procedures while providing guidance to the management team on risk-related issues.

In line with sustainability objectives, the Company systematically assesses environmental, social and governance risks to ensure responsible and sustainable business practices. Through diligent risk management, the Company not only reduces potential negative impacts but also enhances its ability to achieve strategic goals.

Sustainable Practices

Suryalakshmi weaves sustainability practices into its day-to-day production processes by trying to conserve vital resources, reducing our reliance on chemicals, energy, and water while cutting down on maintenance requirements. The Company's integration of CleanKore technology, which not only allows for environmentally responsible dyeing but has also enabled us to roll out exciting new product lines that are gaining strong customer traction.

Under its responsible manufacturing initiatives, the Company incorporates sustainable practices that transform denim production. It prioritises minimised waste production throughout the denim manufacturing process and optimal use of natural resources. The goal is to recycle all feasible resources, including water and chemicals.

Following the 3 R Concept of Reduce, Replace and Recycle, the Company:

- Conserves water and decrease the generation of chemical waste
- Substitute harmful substances with eco-friendly options
- Recycles all feasible resources, including water and chemicals.

Waste

The Company strives to minimise waste throughout the denim value chain. By implementing effective effluent management systems that achieve zero discharge the Company is dedicated to preventing hazardous substances from being released into the environment. Ultimately, the long-term goal is to produce denim fabrics and products with zero waste.

We are committed to sustainability by reutilizing waste in our products through the recycling of polyester and cotton, thereby offering our customers eco-friendly recycled products. Notably, we have transitioned all synthetic fabrics in our denim line to recycled polyester.

Water

Water stewardship is an essential part of responsible manufacturing strategy and working to design denim manufacturing and post-manufacturing value-added processes that require less water to reduce water-related impact.

We closely monitor our water usage and take proactive measures to reduce consumption in both the short and long term. As part of our commitment, we are actively engaged in the Indigood certification program, through which we

have successfully reduced our freshwater usage by 50% and progressed from the Bronze to the Silver category.

Climate

Climate change poses a key challenge to the business, industry and planet today. The Company is working to reduce the carbon footprint by minimising greenhouse gas emissions across the denim operations.

As part of our efforts to monitor and reduce carbon emissions, we participate in the Higg audits. Consistent with previous years, we have continued to improve our Higg scores, ranking within the top 10% of the industry.

Energy

Saving electricity is a key priority for our Company, as it not only supports our sustainability goals but also helps in reducing costs. We continuously optimize energy consumption by investing in advanced technologies and re-engineering products to achieve higher efficiency. In line with our commitment to cleaner energy, we have significantly enhanced our solar capacity, increasing it from 3.5 MW to 6 MW.

Human Resources

The Company places utmost importance on safety, recognizing it as a fundamental responsibility of every manufacturing organization. Aligned with its broader vision, the Company is committed to fostering employee well-being by ensuring a safe, secure and comfortable work environment. Quality measures include maintaining a healthy and safe workplace, providing protective gear, implementing fire safety protocols and safeguarding against hazardous materials. Furthermore, the Company emphasizes employee welfare by cultivating an inclusive and empowering environment that enhances the lives of factory workers. Key initiatives supporting this commitment include health and hygiene programs, learning and development opportunities and facilities for women employees, reflecting a holistic approach to workforce and community development.

Internal Control

Suryalakshmi Cotton Mills has implemented a robust internal control system to ensure the efficiency and effectiveness of operations, accurate financial reporting and compliance with laws and regulations. The Company has established comprehensive policies and procedures for all major business processes, including management, human resources, procurement and inventory management. Regular audits are conducted by internal auditors to monitor compliance with these policies and procedures and to identify areas for improvement. The Company also maintains a system of checks and balances, including the segregation of duties and clear lines of authority and responsibility. Through these measures, Suryalakshmi Cotton Mills aims to minimise the risk of fraud, errors and other financial irregularities and to foster transparency and accountability throughout the organisation.

Cautionary Statement

This report on Management Discussion and Analysis includes forward-looking statements, which are predictions, expectations, projections, or estimates about the Company's objectives. These statements are based on certain assumptions and expectations of future events. However, actual results may differ from these statements due to various factors such as changes in government regulations, tax laws and other statutes. Additionally, unforeseen events such as force majeure could affect the actual result. It is important for readers to understand the context in which these statements are made and that they may not reflect future outcomes accurately.

Disclosure of Accounting Treatment

The Company Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended and requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

ANNEXURE – VI**Statement of particulars as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year ended 31st March, 2025;

SL. NO.	NAME OF THE DIRECTOR	RATIO OF THE REMUNERATION TO THE MEDIAN REMUNERATION OF THE EMPLOYEES
1.	Sri L. N. Agarwal	36.75
2.	Sri Paritosh Agarwal	33.07

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

SL. NO.	NAME OF THE DIRECTOR	PERCENTAGE OF INCREASE IN REMUNERATION
1.	Sri L. N. Agarwal	nIL
2.	Sri Paritosh Agarwal	nIL
3.	Sri E. V. S. V. Sarma	6%
4.	Sri B. M. Vijaya Kumar (upto 17/10/2024)	nIL
5.	Sri Santosh Kumar Agarwal (from 01/01/2025)	6%

- (iii) The percentage increase in the median remuneration of employees in the financial year;

9.3%

- (iv) The number of permanent employees on the rolls of company;

There are 2274 employees on the rolls of the Company.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

NOT APPLICABLE

- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company.

The remuneration paid to the Key Managerial Personnel is as per the Remuneration Policy of the Company.

For and on behalf of the Board

L. N. Agarwal

Chairman & Managing Director
(DIN : 00008721)

Place: Secunderabad
Date: 27th May, 2025.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

List of Top 10 salaried employees for the financial year ended 31st March, 2025.

Sl. no.	Name of the employee	Designation	Remuneration received (INR) in Lakhs	Nature of the employment	Qualification	Experience in years	Organisation worked for before Surya Lakshmi	Date of commencement of the employment	Date of Birth	Age of the employee	% of the equity shares held in the company	Whether the employee is relative of any Director or Manager
1	Mr. L N Agarwal	Chairman & Managing Director	78.10	Regular	Undergraduate	62	NIL	22-06-1994	08-09-1933	91	25.73	Yes
2	Mr. Paritosh Agarwal	Managing Director	74.74	Regular	Graduate	30	Suryavanshi Spinning Mills Limited	06-09-1994	18-03-1973	52	10.48	Yes
3	Mr. Siddhant Sharma	CEO-Denim Division	45.75	Regular	B.Tech (Textile)	36	ETCO Denim	27-02-2017	08-07-1964	61	nil	No
4	Mr. Vedant Agarwal	Chief Executive	30.07	Regular	BSc Industrial Engineering	3	nil	15-11-2022	03-09-1999	25	12.35	Yes
5	Mr. Vasudeo Tipre	G M - Exports	22.81	Regular	BSc Statistics , MBA Marketing	31	Mafatal Industries Ltd-Denim Division	25-09-2014	28-06-1969	55	nil	No
6	Mr. Prabal Kumar Bhattacharjya	G M - Exports	22.73	Regular	Masters in Management; Masters Diploma in International Trade	30	RSWM Ltd	18-04-2014	01-08-1969	55	nil	No
7	Mr. E V S V Sarma	Company Secretary	22.48	Regular	B.Sc. ACMA, ACS, LLM	44	Transport Corporation of India Limited	03-05-1995	11-02-1951	74	nil	No
8	Mr. B. M. Vijaya Kumar*	Chief Financial Officer	20.07	Regular	FCA, FCMA, FCS, LLB	35	Coregreen Sugar (P) Ltd.	05-07-2023	31-08-1964	60	nil	No
9	Mr. Amol R Mahajan	Vice President - Processing (Denim Unit)	18.15	Regular	BSc (Tech), IDm	24	Centuri Denim Ltd. Anubha Industries Ltd. Suraj(GJ)	18-07-2016	01-06-1977	47	nil	No
10	Mr. Vijay Kumar	Vice President-Spinning (Denim unit)	16.92	Regular	Diploma in Spinning	36	Purohit & Company Ltd.	25-06-2018	01-03-1968	57	nil	No

*Up to 17th Oct. 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
SURYALAKSHMI COTTON MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SURYALAKSHMI COTTON MILLS LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the Profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Auditors' Response
Evaluation of uncertain tax positions The Company operates in different states and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters.	Principal audit procedures Our audit procedures include the following substantive procedures: <ul style="list-style-type: none">● Obtained understanding of key uncertain tax positions; and● We along with our internal tax experts –<ul style="list-style-type: none">● evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter;● Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;

Key Audit Matters	Auditors' Response
These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements. Refer Note 1.3 and Note 33.1 to the financial statements.	<ul style="list-style-type: none"> Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and Assessed management's estimate of the possible outcome of the disputed cases; <p>Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under 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 of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls,

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

- 1) As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account,
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act,
 - f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
 - g) With respect to the Managerial remuneration to be included in the auditors' report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33.1 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in

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

- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

- v. The Company neither declared nor paid any dividend during the year.

- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)

Partner

Place : Hyderabad
Date : 27.05.2025

Membership No. 215798
UDIN: 25215798BMMIYXH4137

ANNEXURE – A

to the Auditors' Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of SURYALAKSHMI COTTON MILLS LIMITED, for the year ended March 31, 2025,

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.

e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the

coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.

iii. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the said Order are not applicable for the year under report.

iv. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2025 for a period of more than six months from the date they became payable.

- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except the following.

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which amount related	Forum where dispute is pending
Goods and Service Tax Act, 2017	Goods and Service Tax	20.70	FY 2018-19	Commissioner Appeals, CGST, Mumbai

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. The term loans were applied for the purpose for which the loans were obtained;
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (e) of the Order is not applicable;
- f. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (f) of the Order is not applicable.
- x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3 (x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- b. We have considered the reports of the Internal Auditors for the period under audit;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii. The Company has not incurred cash losses in the financial year and also in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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 further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under Para 3(xx) of the Order is not applicable to the Company.
- xxi. The Company does not have subsidiaries, associates or joint ventures. Hence clause 3 (xxi) of the said Order with regard to qualifications or adverse remarks in CARO reports of the companies included in the consolidated financial statements, is not applicable.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)
Partner

Place : Hyderabad
Date : 27.05.2025

Membership No. 215798
UDIN: 25215798BMMIYXH4137

ANNEXURE – B to the Auditors' Report

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

We have audited the internal financial controls with reference to financial statements of SURYALAKSHMI COTTON MILLS LIMITED ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material aspects.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls

with reference to financial statements 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 ICAI.

for **BRAHMAYYA & CO.**
Chartered Accountants
Firm's Regn No. 000513S

(K.SHRAVAN)

Partner

Place : Hyderabad
Date : 27.05.2025

Membership No. 215798
UDIN: 25215798BMIYXH4137

BALANCE SHEET

as at 31 st March 2025

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2(A)	26,480.09	26,177.33
(b) Capital Work-in-progress	2(B)	0.30	87.18
(c) Other Intangible assets	3	17.91	18.51
(d) Financial Assets			
(i) Other Financial Assets	4	1,551.82	1,540.75
(e) Other Non Current Assets	4(A)	328.98	339.96
(2) Current assets			
(a) Inventories	5	20,820.81	18,999.77
(b) Financial Assets			
(i) Investments	6	19.35	20.54
(ii) Trade Receivables	7	17,915.39	17,952.05
(iii) Cash and cash equivalents	8	85.28	17.59
(iv) Bank balances other than (iii) above	9	2,272.39	879.63
(v) Loans	10	18.24	17.65
(vi) Other financial assets	11	1,611.61	1,716.06
(c) Current Tax Assets (Net)	12	166.67	189.25
(d) Other current assets	13	3,540.65	4,769.95
(e) Assets held for Sale	14	67.78	67.78
Total Assets		74,897.27	72,794.00
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	2,057.83	2,057.83
(b) Other Equity	16	24,910.92	24,547.37
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	7,417.99	6,812.43
(ii) Lease Liability	17	8.28	-
(b) Provisions	18	1,110.38	1,051.11
(c) Deferred Tax Liabilities(net)	19	2,840.31	2,756.79
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	20,887.17	15,777.89
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	21	1,017.24	2,786.91
- total outstanding dues of creditors other than micro enterprises and small enterprises	21	12,247.49	14,859.21
(iii) Other financial liabilities	22	1,647.82	1,436.06
(b) Other current liabilities	23	364.16	299.58
(c) Provisions	18	387.68	408.82
Total Equity and Liabilities		74,897.27	72,794.00
Material Accounting policies	1		
Explanatory Notes & Other Disclosures	33		

as per our report of even date attached
for **Brahmayya & Co.**

Chartered Accountants
Firm Registration No.: 000513S

(K Shravan)
Partner
Membership No. 215798

Place: Hyderabad
Date: 27.05.2025

For and on behalf of Board of Directors

(E.V.S.V. Sarma)
Company Secretary
M.NO. A5220

(S K Agarwal)
Chief Financial Officer
M.NO. A200290

(L. N. Agarwal)
Chairman & Managing Director
DIN: 00008721

(Paritosh Agarwal)
Managing Director
DIN: 00008738

(Dhruv Vijai Singh)
Director
DIN: 07180749

STATEMENT OF PROFIT AND LOSS

for the year ended 31 st March 2025

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
I. Revenue from operations	24	79,176.46	78,240.81
II. Other income	25	458.28	342.65
III. Total Income (I+II)		79,634.74	78,583.46
IV. Expenses			
(i) Cost of materials consumed	26	45,852.47	48,451.96
(ii) Purchases of stock-in-trade		5,745.69	1,395.39
(iii) Changes in inventories of finished goods, stock in trade and work-in-progress	27	(2,399.97)	(1,534.43)
(iv) Employee benefits expense	28	6,907.86	6,819.80
(v) Finance costs	29	3,201.65	2,995.79
(vi) Depreciation and amortization expense	2,3	1,820.33	1,806.52
(vii) Other expenses	30	18,008.33	17,658.27
Total expenses (IV)		79,136.36	77,593.30
V. Profit / (Loss) before Exceptional Items and tax (III-IV)		498.38	990.16
VI. Exceptional Items	31	53.86	(367.74)
VII.Profit / (Loss) before tax (V+ VI)		552.24	622.42
VIII.Tax expenses :			
(1) Current tax		105.50	98.00
(2) Deferred tax	33.8	83.42	109.13
(3) Income tax of earlier years		-	54.54
IX. Profit (Loss) for the year (VII-VIII)		363.32	360.75
X. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	32	0.33	(85.11)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		(0.10)	26.55
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Other comprehensive income for the year (net of tax)		0.23	(58.56)
XI. Total Comprehensive Income for the year (IX+X)		363.55	302.19
XII.Earnings per equity share (face value of ₹10/-)			
(i) Basic (Amount in ₹)	33.11	1.93	1.92
(ii) Diluted (Amount in ₹)		1.93	1.92
Material Accounting policies	1		
Explanatory Notes & Other Disclosures	33		

as per our report of even date attached
for **Brahmayya & Co.**

Chartered Accountants
Firm Registration No.: 000513S

(K Shravan)
Partner
Membership No. 215798

Place: Hyderabad
Date: 27.05.2025

For and on behalf of Board of Directors

(E.V.S.V. Sarma)
Company Secretary
M.NO. A5220

(S K Agarwal)
Chief Financial Officer
M.NO. A200290

(L. N. Agarwal)
Chairman & Managing Director
DIN: 00008721

(Paritosh Agarwal)
Managing Director
DIN: 00008738

(Dhruv Vijai Singh)
Director
DIN: 07180749

STATEMENT OF CASH FLOW

for the Year ended March 31, 2025

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	for the Year ended March 31, 2025	for the Year ended March 31, 2024
A Cash flow from Operating Activities:		
Profit /(loss) before tax	552.24	622.42
Adjustments for:		
Depreciation and Amortisation	1,820.33	1,806.52
Loss/ (Gain) on sale of tangible assets (net)	(41.77)	9.46
Interest Income	(115.88)	(91.43)
Excess provision and Credit balances written off	-	(20.58)
Bad debts and Debit Balances written off	73.84	108.42
Finance Costs	3,201.65	2,995.79
Exceptional Item (Advance recoverable written off)	-	236.93
Right of Recompense amount included in Exceptional Item	-	80.01
	5,490.41	5,747.54
Operating profit before working capital changes		
Adjustments for (increase)/decrease in operating assets		
Inventories	(1,821.05)	(4,005.52)
Trade Receivables	(37.18)	(4,079.37)
Other financial assets - Non current	(11.07)	6.59
Loans - current	(0.59)	7.99
Other financial assets - current	136.83	753.32
Other non financial assets - current	1,229.66	(259.14)
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	(4,381.40)	4,526.80
Other financial liabilities	149.39	(724.23)
Short term provisions	(21.13)	17.15
Long term provisions	60.79	78.14
Non Financial Liabilities	64.23	(27.65)
Cash generated from operations	858.89	2,041.62
Income tax paid	(82.92)	(101.10)
Net Cash flow from/(used in) operating activities	775.97	1,940.52
B Cash flow from Investing Activities:		
Purchase of Property, plant and Equipment & Intangible assets and Capital Advances & Capital Creditors	(2,138.86)	(3,337.03)
Proceeds from sale of Property, plant and equipment (Including Assets Held for Sale)	166.70	82.80
Interest income Received	83.51	24.32
Changes in Other Bank Balances	(1,392.77)	690.79
Net Cash flow from/(used in) investing activities	(3,281.42)	(2,539.12)
C Cash flow from Financing Activities:		

STATEMENT OF CASH FLOW

for the Year ended March 31, 2025

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	for the Year ended March 31, 2025	for the Year ended March 31, 2024
Proceeds / (Repayments) of short term borrowings, net	4,892.51	3,449.81
Proceeds from Long term borrowings	1,608.47	2,201.75
Repayment of Long term borrowings	(851.64)	(2,879.56)
Interest and other borrowing costs paid	(3,073.14)	(2,773.97)
Repayment of Lease liabilities	(3.06)	(9.84)
Net Cash flow from/(used in) financing activities	2,573.14	(11.81)
Net Increase in Cash and Cash equivalents (A+B+C)	67.69	(610.41)
Cash and Cash equivalents at the beginning of the year	17.59	628.00
Cash and Cash equivalents at the end of the year	85.28	17.59

as per our report of even date attached
for **Brahmayya & Co.**

Chartered Accountants
Firm Registration No.: 000513S

(K Shravan)

Partner
Membership No. 215798

Place: Hyderabad

Date: 27.05.2025

For and on behalf of Board of Directors

(E.V.S.V. Sarma)

Company Secretary
M.NO. A5220

(S K Agarwal)

Chief Financial Officer
M.NO. A200290

(L. N. Agarwal)

Chairman & Managing Director
DIN: 00008721

(Paritosh Agarwal)

Managing Director
DIN: 00008738

(Dhruv Vijai Singh)

Director
DIN: 07180749

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2025

A. Equity Share Capital

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
At the beginning of the year	1,880.53	1,880.53
Changes in Equity Share capital due to prior period Errors	-	-
Restated Balance at the beginning of the current reporting period	1,880.53	1,880.53
Changes in equity share capital during the year	-	-
At the end of the year	1,880.53	1,880.53
Add : Forfeited Shares	177.30	177.30
Total	2,057.83	2,057.83

B. Other Equity (Refer Note: 16)

Particulars	Particulars				Accumulated Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Remeasurements of net defined benefit plans	Equity Instruments through OCI	
Balance as at 31st March 2023	214.35	9,851.76	5,296.84	9,125.59	(252.30)	8.94	24,245.18
Total Comprehensive Income for the year ended 31st March 2024				360.75	(62.20)	3.64	302.19
Balance as at 31st March 2024	214.35	9,851.76	5,296.84	9,486.34	(314.50)	12.58	24,547.37
Total Comprehensive Income for the year ended 31st March 2025				363.32	1.43	(1.20)	363.55
Balance as at 31st March 2025	214.35	9,851.76	5,296.84	9,849.66	(313.07)	11.38	24,910.92

The accompanying notes are an integral part of the financial statements.

Nature and purpose of Reserves

- (a) **Capital Reserve** : This reserve is created on surplus arising on amalgamation of Suryakiran International Ltd.
- (b) **Securities premium**: This reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- (c) **Retained Earnings**: This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- (d) **Remeasurements of the net defined benefits plan**: This reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.
- (e) **Equity Instruments through other comprehensive income** : The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

as per our report of even date attached
for **Brahmayya & Co.**

Chartered Accountants
Firm Registration No.: 000513S

(K Shravan)
Partner
Membership No. 215798

Place: Hyderabad
Date: 27.05.2025

For and on behalf of Board of Directors

(E.V.S.V. Sarma)
Company Secretary
M.NO. A5220

(S K Agarwal)
Chief Financial Officer
M.NO. A200290

(L. N. Agarwal)
Chairman & Managing Director
DIN: 00008721

(Paritosh Agarwal)
Managing Director
DIN: 00008738

(Dhruv Vijai Singh)
Director
DIN: 07180749

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

CORPORATE INFORMATION

Suryalakshmi Cotton Mills Limited (the 'company') is a public limited company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the company is located at 6th Floor, Surya Towers, 105 S P Road, Secunderabad, Telangana - 500003.

The company was formed in early 1960s as a yarn manufacturing company. It has evolved today as integrated denim & yarn manufacturing textile Company.

1. MATERIAL ACCOUNTING POLICIES

1.1. Basis of Preparation and Measurement:

Explicit Statement of Compliance with Ind AS:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

These financial statements were authorised for issuance by the Company's Board of Directors on 27 May 2025.

1.2. Current Vs Non-current classifications:

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

1.3. Use of Estimates, Judgements and Assumptions:

The preparation of financial statements in conformity with the Ind AS requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from

these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. The application of Accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below:

- Defined benefit obligation.
- Estimation of useful life of Property, Plant and Equipment.
- Estimation of Provisions and Contingent liabilities
- Estimation of Impairment
- Recognition of Deferred taxes

1.4 Property, plant and equipment

• Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment other than land are carried at their cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost of acquisition.

The cost of an item of property, plant and equipment comprises the purchase price and any cost attributable to bring the asset to its location and working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

recognized in the Statement of Profit and Loss as and when incurred.

- **Capital Work in Progress**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

- **Depreciation and amortization methods**

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/- or below on which depreciation is charged @ 100%.

Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and are as under:

Asset Classification	Useful Life
Factory Building	30 Years
Non-Factory Buildings	30 - 60 Years
Plant & Equipment	03 - 40 Years
Furniture & Fixtures & Office Equipment	05 - 10 Years
Office Equipment	05 Years
Vehicles	08 -10 Years
Data Processing Equipment	03 -06 Years

- **Impairment**

a) Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value

less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.

- **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

1.5 Intangible Assets:

- **Computer Software**

Computer software is measured on initial recognition at cost. Following initial recognition, software is carried at its cost less accumulated amortization and accumulated impairment losses.

- **Amortization Methods**

The carrying amount of computer software is amortized over the useful life as estimated by the Management which is about 6 years for ERP software and 3 years all other intangible computer software assets.

- **Impairment**

a) Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

- b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.

- **Derecognition**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

1.6 Borrowing Costs

Borrowing costs to the extent attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognized as expenses in the Statement of Profit and Loss in the period in which they are incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs include interest (calculated using Effective Interest Method) and other cost incurred in connection with the borrowing of funds.

1.7 Inventories

Inventories are valued at the lower of cost and net realizable value.

Scrap is valued at Net realizable value.

The cost is computed on weighted average basis.

Cost of inventories comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

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

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with this IndAS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

1.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

- **Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets other than those recorded at Fair Value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

- **Subsequent measurement:**

For subsequent measurement, the Company classifies its financial assets into the following categories:

- (i) Amortized cost
- (ii) Fair value through profit and loss (FVTPL)
- (iii) Fair value through other comprehensive income (FVOCI).

- a) **Financial Asset measured at amortized cost**

Financial Assets 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity shares) at amortized cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

b) Financial Asset measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

The company while applying above criteria has identified that there are no financial assets that can be classified at fair value through other comprehensive income. However, the company made an election to present fair value changes of investment in equity shares in other comprehensive income as per para 5.7.5 of Ind AS 109.

c) Financial Asset measured at fair value through profit and loss (FVTPL)

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

Investments in Equity shares meet the above criteria for measurement at FVTPL. However, the company made an election to present fair value changes of investment in equity shares in other comprehensive

income as per para 5.7.5 of Ind AS 109. Dividend on these equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established.

• Impairment

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

• Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities

• Initial Recognition and Measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

- **Subsequent Measurement**

- a. **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognized in the profit or loss. The Company doesn't designate any financial liability at fair value through profit or loss.

- b. **Financial liabilities at amortized cost**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- **Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

1.9 Government Grants

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised either as reduction from related expense or as other income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Government grants received in relating to the purchase of property, plant and equipment are presented as reduction to the carrying value of related asset and the same is recognised in statement of profit and loss over the life of depreciable asset as a reduced depreciation expense.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.10 Revenue Recognition

- **Revenue from Sale of goods and services**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

- **Contract Balances**

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

- **Interest / Dividend**

Interest Income is recognized using the Effective interest rate (EIR) method. Dividend income is recognized when right to receive is established.

1.11 Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest

rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

1.12 Prior period items

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

1.13 Non-current assets Held for sale and Discontinued Operations

- **Non-current Assets Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised. Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

- **Discontinued Operations**

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

- (c) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations that relate to all operations that have been discontinued by the end of the reporting period for the latest period presented are presented separately in the statement of profit and loss under "profit/loss from discontinued operations". This presentation is made for all the periods presented.

1.14 Cash and Cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management.

1.15 Income taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest / expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. 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 carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.16 Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

Contingent Liabilities

Contingent liabilities are 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

1.17 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

1.18 Foreign Currency transactions

- **Functional and Reporting Currency:**

The Company's functional and reporting currency is Indian National Rupee

- **Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- **Conversion on reporting date:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

- **Exchange Differences:**

Exchange difference arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

1.19 Employee Benefits

- **Short-Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

- **Post-Employment Benefits**

Defined Contribution Plan

Employer's contribution to Provident Fund/ Employee State Insurance which is in the nature of defined contribution scheme is expensed off

when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

Defined Benefit Plan

- a. **Gratuity and compensated absences**

Gratuity and compensated absences are in the nature of defined benefit obligations. These are provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 "Employee Benefits". Actuarial gain/ (loss) in the valuation are recognized as other comprehensive income for the period.

1.20 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable is recognized directly in equity.

1.21 Recent Accounting Pronouncement

The Company applied for the first time these amendments of Ind AS 8, Ind AS 1 and Ind AS 12 and there is no material impact on financials.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

2 Property, Plant and Equipment & Intangible Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 31st March 2024	Additions	Deletions	As at 31 March 2025	Upto 31st March 2024	For the year	On Deletions	As at 31 March 2025	As at 31 March 2024
(A) Property, Plant and Equipment:									
1 Land									
Freehold#	229.32			229.32	-			229.32	229.32
Leasehold (ROU) See note 33.16	571.87			571.87	29.65	6.31		535.91	542.22
2 Buildings:									
Factory	8,776.35	26.31		8,802.66	4,203.07	275.32		4,324.27	4,573.28
Non Factory Building	3,137.37			3,137.37	1,159.39	75.00		1,902.98	1,977.98
Township	924.57	9.55		934.12	176.95	14.83		742.34	747.62
Non Factory Building (ROU) See note 33.16	48.11	10.69		58.80	48.11	2.67		8.02	-
3 Plant & Machinery									
Workshop equipment	8.14			8.14	7.72	0.01		0.41	0.42
Plant and Machinery	45,113.11	1,807.28	1,579.53	45,340.86	30,749.19	1,078.20	1,462.11	14,975.58	14,363.92
Testing Equipment	574.78		178.78	396.00	509.81	31.51	178.79	33.47	64.97
Electrical Installations	6,891.38	358.44	202.54	7,047.28	3,519.32	270.47	202.55	3,460.04	3,372.06
Weighing Machines	49.55	0.79		50.34	41.38	1.83		7.13	8.17
Water Works	463.00			463.00	389.04	19.33		54.63	73.96
Furniture and Fixtures	374.27	4.79		379.06	303.43	14.58		61.05	70.84
5 Vehicles	326.27	10.28	16.14	320.41	174.66	22.81	15.33	138.27	151.61
6 Data Processing Equipment	76.50	12.57		89.07	75.54	6.86		6.67	0.96
TOTAL (A)	67,564.59	2,240.70	1,976.99	67,828.30	41,587.26	1,819.73	1,858.78	26,480.09	26,177.33
(B) Capital Work-in-progress									
	87.18	2,143.13	2,230.01	0.30				0.30	87.18
Total (B)	87.18	2,143.13	2,230.01	0.30	-	-	-	0.30	87.18

Includes 50.12 Acres of Land in the Denim Division under conversion into non agricultural use at Ramtek, Maharashtra

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

2 Property, Plant and Equipment & Intangible Assets

Capital work in progress (CWIP) ageing schedule as at March 31, 2025

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.30	-	-	-	0.30
Projects temporarily suspended	-	-	-	-	-
Total	0.30	-	-	-	0.30

3 Other Intangible Assets

(All amounts in ₹ Lakhs, unless otherwise stated)

Sl. No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31st March 2024	Additions	Deletions	As at 31 March 2025	Upto 31st March 2024	For the year	On Deletions	Upto 31 March 2025	As at 31 March 2025	As at 31 March 2024
	Other Intangible Assets:										
	Computer Software	93.89	-	41.07	52.82	75.38	0.60	41.07	34.91	17.91	18.51
	Total	93.89	-	41.07	52.82	75.38	0.60	41.07	34.91	17.91	18.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

2 Property, Plant and Equipment & Intangible Assets (Contd..)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 31st March 2023	Additions	Deletions	As at 31 March 2024	Upto 31st March 2023	For the year	On Deletions	As at 31 March 2024	As at 31 March 2023
(A) Property, Plant and Equipment:									
1 Land									
Freehold#	229.32			229.32	-			229.32	229.32
Leasehold (ROU) See note 34.16	571.87			571.87	12.87	16.78		542.22	559.00
2 Buildings:									
Factory	8,605.40	170.95		8,776.35	3,930.06	273.01		4,573.28	4,675.34
Non Factory Building	3,137.37			3,137.37	1,083.74	75.65		1,159.39	2,053.63
Township	914.93	9.64		924.57	162.41	14.54		747.62	752.52
Non Factory Building (ROU) See note 34.16	48.11			48.11	48.11			-	-
3 Plant & Machinery									
Workshop equipment	8.14			8.14	7.71	0.01		0.42	0.43
Plant and Machinery	43,148.24	2,699.08	734.21	45,113.11	30,304.69	1,083.42	638.92	14,363.92	12,843.55
Testing Equipment	576.50		1.72	574.78	488.34	23.19	1.72	64.97	88.16
Electrical Installations	6,246.95	652.16	7.73	6,891.38	3,293.79	233.26	7.73	3,372.06	2,953.16
Weighing Machines	49.55			49.55	39.22	2.16		8.17	10.33
Water Works	463.00			463.00	366.97	22.07		73.96	96.03
4 Furniture and Fixtures	471.26	26.96	123.95	374.27	400.01	26.85	123.43	303.43	71.25
5 Vehicles	325.96	10.77	10.46	326.27	160.28	24.32	9.94	174.66	165.68
6 Data Processing Equipment	143.62	8.12	75.24	76.50	139.71	11.06	75.23	75.54	3.91
TOTAL (A)	64,940.22	3,577.68	953.31	67,564.59	40,437.91	1,806.32	856.97	26,177.33	24,502.31
(B) Capital Work-in-progress									
	124.71	3,540.15	3,577.68	87.18				87.18	124.71
Total (B)	124.71	3,540.15	3,577.68	87.18	-	-	-	87.18	124.71

Includes 50.12 Acres of Land in the Denim Division under conversion into non agricultural use at Ramtek, Maharashtra

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

Capital work in progress (CWIP) ageing schedule as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	85.36	-	1.82	-	87.18
Projects temporarily suspended	-	-	-	-	-
Total	85.36	-	1.82	-	87.18

(All amounts in ₹ Lakhs, unless otherwise stated)

(All amounts in Lakhs, unless otherwise stated)											
		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sl. No	Particulars	As at 31st March 2023	Additions	Deletions	As at 31 March 2024	Upto 31st March 2023	For the year	On Deletions	Upto 31 March 2024	As at 31 March 2024	As at 31 March 2023
	Other Intangible Assets:										
	Computer Software	162.96	1.38	70.45	93.89	145.63	0.20	70.45	75.38	18.51	17.33
	Total	162.96	1.38	70.45	93.89	145.63	0.20	70.45	75.38	18.51	17.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

4 Other Financial Assets(Unsecured, considered good)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 Mar 2025	As at 31 Mar 2024
Deposits - Recoverable	619.12	548.20
(Telephone, Electricity ,Coal deposits and others)		
Security Deposit	0.10	0.10
(NSC pledged as security for ₹10,000/- with Sales Tax Dept.)		
Claims Receivable	978.60	1,016.45
(Power & Sales Tax subsidy, Insurance claim)		
Less: Expected Credit loss provision	(46.00)	(24.00)
Total	1,551.82	1,540.75

4 (A) Other Non Current Assets

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance for Capital Items	328.98	339.96
Total	328.98	339.96

5 Inventories

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
At Cost		
A Raw materials	-	
- Cotton	4,412.62	5,184.74
- Yarn	1,156.81	1,196.89
- Polyester Staple Fibre	384.14	390.28
- Viscose Staple Fibre	300.62	94.89
At lower of cost or Net Realisable Value		
B Work-in-progress	6,312.00	5,443.30
C Finished goods	-	
Stock - in - Transit	118.51	606.64
Stock - at - Factory	6,203.28	4,465.14
Stock - in - Trade	356.43	59.21
At Cost		
D Stores and spares	-	-
- Dyes & Chemicals	580.90	478.15
- Coal / Husk	62.94	75.51
- Other Stores & Spares	838.06	894.56
At Realisable Value		
E Others -Cotton & PV waste	94.50	110.46
Total	20,820.81	18,999.77

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

6 Investments

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in Equity Instruments at Fair Value through Other Comprehensive Income - Quoted (Non trade)		
(i) Suryavanshi Spinning Mills Ltd (37,777 Equity Shares (Previous Year 37,777) of ₹10/- each)	9.62	9.90
(ii) Aananda Lakshmi spinning Mills Ltd (26,546 Equity Shares (Previous Year 26,546) of ₹10/- each)	3.79	4.07
(iii) Sheshadri Industries Ltd (37,777 Equity Shares (Previous Year 37,777) of ₹10/- each)	5.94	6.57
Total	19.35	20.54

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
a. Aggregate amount of Quoted Investments - Book Value	105.19	105.19
b. Aggregate amount of Quoted Investments - Market Value	19.35	20.54
c. Aggregate amount of Unquoted investments	-	-
d. Aggregate amount of impairment in value of investments	85.84	84.65

7 Trade Receivables

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good	18,136.00	18,131.59
Less : Allowance for Bad and Doubtful Debts	(220.61)	(179.54)
Total	17,915.39	17,952.05

(All amounts in ₹ Lakhs , unless otherwise stated)

		2024-25					
SL	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	Undisputed Trade receivables - considered good	17,793.24	147.18	1.51	18.63	2.14	17,962.70
2	Undisputed Trade receivables - considered doubtful						
3	Disputed Trade receivables - considered good						
4	Disputed Trade receivables - considered doubtful	-	-	-	-	173.30	173.30
	TOTAL :	17,793.24	147.18	1.51	18.63	175.44	18,136.00
	Provision for doubtful debts / credit losses	-	25.03	1.51	18.63	175.44	220.61
	Net Trade receivables	17,793.24	122.15	-	-	-	17,915.39

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

7 Trade Receivables (Contd..)

(All amounts in ₹ Lakhs , unless otherwise stated)

Sl. Particulars		2023-24					Total
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	Undisputed Trade receivables - considered good	17,872.02	24.41	54.40	0.69	11.95	17,963.47
2	Undisputed Trade receivables - considered doubtful						
3	Disputed Trade receivables - considered good						
4	Disputed Trade receivables - considered doubtful	-	-	-	-	168.12	168.12
	TOTAL :	17,872.02	24.41	54.40	0.69	180.07	18,131.59
	Provision for doubtful debts / credit losses					179.54	179.54
	Net Trade receivables	17,872.02	24.41	54.40	0.69	0.53	17,952.05

8 Cash and cash equivalents

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks		
- In current accounts	83.42	15.26
- Cash on Hand	1.86	2.33
Total	85.28	17.59

9 Other Bank Balances

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with Banks		
- Margin money deposits (on LCs and Bank Guarantees) with balance maturity of less than 12 months	1,272.39	878.17
- Fixed Deposits with balance maturity of more than 3 months and less than 12 months	1,000.00	-
- Unpaid Dividend Accounts	-	1.46
Total	2,272.39	879.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

10 Loans (Unsecured, considered good)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Advances to staff(including advances to officers)	18.24	17.65
Total	18.24	17.65

Disclosure pursuant to Note no.B(V)(iv) of Part I of Division II of Schedule III

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Other officers of the Company	14.36	11.41
Total	14.36	11.41

11 Other financial assets (Unsecured, considered good)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Other advances	1,068.28	1,065.64
Interest Accrued	99.49	67.04
Interest subsidy receivable	441.15	580.69
Deposits recoverable	2.69	2.69
Total	1,611.61	1,716.06

12 Current tax assets (net)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance Income tax & TDS Receivable (Net of provision)	166.67	189.25
Total	166.67	189.25

13 Other current assets (Unsecured, considered good)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance for purchase of raw material, stores and capital goods	795.37	1,778.68
Balance with Statutory Authorities	2,049.00	2,216.70
Prepaid Expenses	254.60	279.88
Export Benefit Entitlement Receivable	301.85	354.86
CVD Refund Receivable :		
(i) At ICD Nagpur	134.34	134.34
(ii) At JNPT, Mumbai	5.49	5.49
Total	3,540.65	4,769.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

14 Assets Held for Sale

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at	As at
	31 March 2025	31 March 2024
Property Plant & Equipment		
Plant and Equipment - Garment	67.78	67.78
Total	67.78	67.78

Note: An amount of ₹ 36.69 Lakhs is received as advance against asset held for sale and the same is expected to be sold during the Financial Year 2025-26.

15 Equity Share Capital

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at	As at
	31 March 2025	31 March 2024
a. Authorised:		
3,00,00,000 Equity Shares of ₹10/- each	3,000.00	3,000.00
2,00,000 5% Non Cumulative Reddemable Preference Share of ₹100/- each	200.00	200.00
6,72,000 10% Cumulative Reddemable Preference Share of ₹100/- each	672.00	672.00
	3,872.00	3,872.00
b. Issued:		
2,32,01,556 Equity Shares of ₹10/- each	2,320.16	2,320.16
2,00,000 5% Non Cumulative Reddemable Preference Share of ₹100/- each	200.00	200.00
5,00,000 10% Cumulative Reddemable Preference Share of ₹100/- each	500.00	500.00
	3,020.16	3,020.16
c. Subscribed and fully paid:		
1,88,05,290 (Previous year 1,88,05,290) Equity Shares of ₹10 each	1,880.53	1,880.53
Add: Forfeited Shares	177.30	177.30
	2,057.83	2,057.83

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	1,88,05,290	1,880.53	1,88,05,290	1,880.53
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,88,05,290	1,880.53	1,88,05,290	1,880.53

b. Terms/ rights attached to equity shares

- The company has only one class of equity shares having a face value of ₹ 10 per share.
- Each holder of equity share is entitled to one vote per share.
- The dividends recommended by the Board of Directors if any, are subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the equity share holders are entitled to receive the remaining assets of the Company after distribution of all preferential claims, in proportion to the number of shares held.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

15 Equity Share Capital (Contd..)

c. Shareholding of promoters

Shares held by promoters at the year end	As on 31.03.2025			As on 31.03.2024		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Promoter Name						
Late Smt Satyabhama Bai	1,000	0.01%	0.00%	1,000	0.01%	0.00%
Shri LN Agarwal	48,39,348	25.73%	0.00%	48,39,348	25.73%	0.00%
Shri Paritosh Agarwal	19,71,272	10.48%	0.00%	19,71,272	10.48%	0.00%
Smt Padmini Agarwal	12,95,715	6.89%	0.00%	12,95,715	6.89%	0.00%
Shri Vedant Agarwal	23,22,664	12.35%	0.00%	23,22,664	12.35%	0.00%
LN Agarwal (HUF)	4,01,890	2.14%	0.00%	4,01,890	2.14%	0.00%
LN Agarwal (Family Trust)	4,93,000	2.62%	0.00%	4,93,000	2.62%	0.00%
Paritosh Agarwal (HUF)	1,33,000	0.71%	0.00%	1,33,000	0.71%	0.00%
Total :	1,14,57,889	60.93%	0.00%	1,14,57,889	60.93%	0.00%

- d. 2,00,000 5% Non Cumulative Redeemable Preference Share of ₹100/- each and 5,00,000 10% Cumulative Redeemable Preference Share of ₹100/- each were issued and reclassified as Financial Liability and shown as Unsecured Loan. (Refer Note:17)

16 Other Equity

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
A. Capital Reserve	214.35	214.35
B. Securities Premium	9,851.76	9,851.76
C. Other Reserves		
Capital Redemption Reserve	2.09	2.09
Preference Capital Redemption Reserve	671.60	671.60
General Reserve	4,260.81	4,260.81
Equity portion on Preference shares	131.02	131.02
Equity portion on unsecured loan from Directors	231.32	231.32
Other Reserves	5,296.84	5,296.84
D. Retained Earnings	9,849.66	9,486.34
E. Accumulated Other Comprehensive Income		
Remeasurements of net defined benefit plans	(313.07)	(314.50)
Equity Instruments through OCI	11.38	12.58
Accumulated Other Comprehensive Income	(301.69)	(301.92)
Total	24,910.92	24,547.37

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

17 Borrowings

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Non-current portion		Current Maturities	
	31st March 2025	31st March 2024	31st March 2025	31st March 2024
Secured				
(i) Term loans:				
(a) from banks		-		
(i) State Bank of India (21 Crores)	-	1,276.13	-	375.00
(ii) State Bank of India (Term Loan Converted to FCNR)	1,173.13	-	500.00	-
(b) from others				
(i) Vehicle loans	35.77	86.21	20.13	
(ii) Candi Solar IN 1 Private Limited	1,243.05	1,180.01	259.20	187.57
Unsecured				
(a) Preference Shares (Issued to Related parties, at amortised cost)				
- 2,00,000 5% Non-Cumulative Redeemable Preference shares of ₹100/- each	178.56	163.07	-	-
- 5,00,000 10% Cumulative Redeemable Preference shares of ₹100/- each	500.00	500.00	-	-
(b) Loans from related parties				
- from Directors	3,585.06	3,051.87	-	-
- Inter-corporate Deposits	702.42	555.14	-	-
Total (i)	7,417.99	6,812.43	779.33	562.57
(ii) Lease Obligations				
- Lease Liability (relating to ROU asset)	8.28	-	-	-
See note 33.16				

A. All the installments falling due within 12 months from the date of Balance Sheet have been classified as current maturities, the aggregate amounts are shown under 'Short Term Borrowings'.

B. Security Details of Term Loans from Banks

- The term loan referred at (a)(i & ii) above is secured by mortgage of (present & future) movable and immovable properties of the company on first charge pari passu & second charge pari passu on the current assets of the company with existing term lenders and guaranteed by two Directors & Chief Executive of the company in their personal capacities.

C. Security Details of Term Loans from Others

- Vehicle loans are secured by hypothecation of the respective vehicles and guaranteed by one of the directors of the company.
- Term Loans from Candi Solar in 1 Pvt. Ltd. are secured by hypothecation of Solar Plant acquired and situated at Spinning Division in Amangallu, Telangana. This Loan is further secured by an unconditional and irrevocable personal guarantee of Mr. Paritosh Agarwal (Managing Director).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

17 Borrowings (Contd..)

D Terms of Repayment:

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Rate of Interest	31st March 2025		31st March 2024	
		No of Instalments due	Amount	No of Instalments due	Amount
Term loans:					
(a) from bank					
(i) State Bank of India Rupee Term loan - 21 cr's (Refer note below)	10.50%	-	-	13	1,651.13
(ii) State Bank of India (Term Loan Converted to FCNRB)	SOFR + Spread (4.26+2=6.26)	10	1,673.13	-	-
(b) from Others					
(1) Candi Solar In 1 Pvt Ltd.,- 1 st Term Loan	10.00%	58	716.17	70	825.97
(2) Candi Solar In 1 Pvt Ltd.,- 2 nd Term Loan	10.00%	54	463.84	66	541.61
(3) Candi Solar In 1 Pvt Ltd., -3 rd Term Loan	10.00%	63	322.24	-	-

£ There have been no breach of covenants mentioned in the loan agreements during the reporting years

F The company has not defaulted in the repayment of the principal and interest during the year

G Redemption terms of the Preference Shares

No of shares	Date of Repayment	Purpose
2,00,000 of ₹ 100/- each	30.06.2026*	These shares are issued to the preference shareholders of erstwhile Suryakiran International Ltd., as per the scheme of amalgamation.
5,00,000 of ₹ 100/- each	18.08.2026	These shares are issued to part finance Company's spinning project at Amravathi, Near Nagpur, Maharashtra.

(*) The repayment date of Preference shares which was earlier 21.12.2021, was extended as per terms of Restructuring of credit facilities sanctioned by the SBI led Consortium of Bankers.

H Repayment Terms of Loans from related parties

Particulars	Rate of Interest	Repayment Terms
- from Directors	7%	Repayable after three years
- Inter-corporate Deposits	9%	Repayable after three years

18 Provisions

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Non-current portion		current portion	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits				
Gratuity (unfunded)	1,037.66	975.00	144.89	170.00
Compensated absences (unfunded)	72.72	76.11	22.42	20.89
Bonus	-	-	220.37	217.93
Total	1,110.38	1,051.11	387.68	408.82

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

19 Deferred Tax

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31st March 2025	Recognised in Statement of Profit & Loss (both continuing and discontinued operations)	Recognised in Other Comprehensive Income	As at 31 March 2024
Deferred Tax Liabilities				
Property, Plant & Equipment (including ROU assets) & Intangible assets and Assets Held for Sale	4,470.64	153.67	-	4,316.97
Fair Value adjustments of financial liabilities	-	(11.14)	(0.38)	11.52
	4,470.64	142.53	(0.38)	4,328.49
Deferred Tax Assets				
Other Financial Current Assets	-	(31.48)	(0.00)	31.48
Fair Value adjustments of financial liabilities	-	(25.65)	-	25.65
Unused Tax Losses	-	(68.03)	-	68.03
Expected Credit Loss	51.48	10.61	-	40.87
Employee Benefits & Statutory Liabilities allowed on Payment Basis	551.12	79.62	(0.48)	471.98
MAT Credit entitlement	1,027.73	94.04	-	933.69
	1,630.33	59.11	(0.48)	1,571.70
Net Deferred Tax Liability/(Asset)	2,840.31	83.42	0.10	2,756.79

20 Short term Borrowings

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
A. Secured (payable on demand)		
(i) from banks		
(a) State Bank of India		
Cash Credit	2,557.98	8,275.97
Packing Credit	2,989.41	2,101.43
FCNRB - WCDL	3,923.05	-
(b) Punjab National Bank		
Cash Credit	-	1,596.42
Packing Credit	1,074.89	-
(c) Union Bank of India (erstwhile Andhra Bank)		
Cash Credit	4,382.16	826.91
(d) D B S Bank India Ltd., (erstwhile Lakshmi Vilas Bank Ltd)		
Cash Credit	-	1,269.25
Total	14,927.49	14,069.98
(ii) Current Maturities of Long-term debt (Refer Note - 17)	779.33	562.57
Total (A)	15,706.82	14,632.55
B. Unsecured		
From others:		
(i) Export Bills Discounted (Refer note (b) below)	3,680.35	1,145.34
(ii) Bajaj Finance Limited (Refer note (c) below)	1,500.00	-
Total (B)	5,180.35	1,145.34
Total (A+B)	20,887.17	15,777.89

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

21 Trade payables (Contd..)

a. Secured:

- (i) Working capital loans from (a) to (d) are secured by hypothecation of stocks of raw materials, yarn, fabric, stock-in-process, stores and spares and book debts and by a second mortgage over the (present and future) movable & immovable properties of the company on pari-passu basis and further guaranteed by two Directors & Chief Executive of the Company in their personal capacities.

- b. Export bills are discounted with the banks and the net amount after deduction of discounting charges is received by the company. Once the bills are realised the same is utilized to settle the outstanding amount with the bank.

- c. Its short Term Revolving Loan with a validity of 12 months.

21 Trade payables

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March 2025	31 March 2024
dues of micro, small and medium enterprises	1,017.24	2,786.91
dues of creditors other than micro enterprises and small enterprises	12,247.49	14,859.21
Total	13,264.73	17,646.12

(All amounts in ₹ Lakhs, unless otherwise stated)

		2024-25				
		Outstanding for following periods from due date of payment				
SL	Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1	msme	1,017.24	-	-	-	1,017.24
2	Others	11,907.73	145.14	45.81	148.81	12,247.49
3	Disputed dues - msme					-
4	Disputed dues - Others					-
	TOTAL :	12,924.97	145.14	45.81	148.81	13,264.73

(All amounts in ₹ Lakhs, unless otherwise stated)

		(All amounts in ₹ Lakhs , unless otherwise stated)				
Sl.	Particulars	2023-24				Total
		Outstanding for following periods from due date of payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	msme	2,786.91	-	-	-	2,786.91
2	Others	14,474.19	227.43	26.63	130.96	14,859.21
3	Disputed dues - msme					-
4	Disputed dues - Others					-
	TOTAL :	17,261.10	227.43	26.63	130.96	17,646.12

22 Other financial liabilities

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at	As at
	31 March 2025	31 March 2024
i. Interest accrued but not due	318.05	255.68
ii. Derivatives - Forward Exchange Contracts (Refer Note (a))	136.33	-
iii. Dues to others	722.24	734.86
iv. Creditors for capital goods	45.73	44.84
v. Employee benefits payable	425.47	399.22
vi. Unpaid Dividend	-	1.46
Total	1,647.82	1,436.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

22 Other financial liabilities (Contd..)

- a) The Company has entered into foreign exchange forward contracts with the intention of hedging foreign exchange risk of Foreign Currency Loan, these contracts are not designated as hedge and are measured at fair value through profit or loss. Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected payment of Borrowings.

23 Other current liabilities

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at	As at
	31 March 2025	31 March 2024
i. Advances from customers	171.34	126.42
ii. Statutory remittances	120.36	102.88
iii. Contributions to PF & ESI	35.77	40.59
iv. Advances received against Sale of Plant & Machinery	36.69	29.69
Total	364.16	299.58

24 Revenue from operations

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended	For the Year ended
	31 March, 2025	31 March, 2024
(A) Sale of products (net of GST) *		
a. Yarn	38,732.69	39,350.85
b. Fabric	46,524.39	45,861.00
c. Trading of Cotton / PSF	135.92	-
Less:		
Inter Division sale - Yarn	8,121.58	8,973.07
	77,271.42	76,238.78
(B) Sale of Services		
a. Job work	1.98	1.70
(C) Other Operating Revenue		
a. Sale of Waste	1,079.25	984.41
Less: Inter Division Sale	347.13	69.22
	732.12	915.19
b. Export Benefit entitlement	1,125.79	1,043.05
c. Packing & Forwarding collection charges	11.58	12.91
d. Scrap Sales	33.57	29.18
Total	79,176.46	78,240.81

* Net of rejections and returns

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended	For the Year ended
	31 March, 2025	31 March, 2024
Revenue as per contracted price	77,682.23	76,698.35
Less: Discounts & Sales Return	410.81	459.57
Revenue from contract with customers	77,271.42	76,238.78

b) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:

Trade Receivables (Refer note 7)	17,915.39	17,952.05
Contract Liabilities (Refer note 23)	171.34	126.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

24 Revenue from operations (Contd..)

c) Performance Obligation:

All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligation which typically upon dispatch/delivery. The company does not have any remaining performance obligation for sale of goods or rendering of services which remains unsatisfied as at march 31, 2025 and march 31, 2024.

d) Disaggregation revenue:

Refer note 33.15 for disaggregated revenue information. The management determines that the segment information is reported is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with customers".

25 Other Income

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
(A) Interest Income on		
a. Interest Income from Bank Deposits	67.05	56.80
b. Interest Income from Others	48.83	34.55
(B) Other Non-operating Income (Net of Expenses)		
a. Rent Received	0.83	12.09
b. Provisions written back:		
i. Credit Balances written back	27.19	15.53
ii. Excess Provision written back	1.20	5.06
c. Gain on Foreign currency transactions (Net)	207.50	180.51
d. Miscellaneous Receipts (Net)	33.77	31.37
e. Profit on sale Assets	71.91	6.74
Total	458.28	342.65

26 Cost of materials consumed

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Opening Stock	6,866.80	3,821.27
Add: Purchases during the year	45,239.87	51,654.39
	52,106.67	55,475.66
Less: Reclassification to Exceptional Item (See note 31)	-	156.90
Less: Closing Stock	6,254.20	6,866.80
TOTAL	45,852.47	48,451.96

Details of raw materials consumed

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Cotton	28,888.01	31,189.26
Yarn	5,113.69	4,556.34
Polyster Staple Fibre	9,536.09	9,928.66
Viscose Staple Fibre	2,314.68	2,777.70
	45,852.47	48,451.96

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

27 Changes in inventories of finished goods and work-in-progress

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Opening Stock:		
Yarn	1,359.34	1,724.98
Fabric	3,771.65	4,100.23
Work-in-progress	5,443.30	3,613.74
Cotton Waste	110.46	48.79
	10,684.75	9,487.74
Less: Closing Stock:		
Yarn	1,443.89	1,359.34
Fabric	5,234.33	3,771.65
Work-in-progress	6,312.00	5,443.30
Cotton Waste	94.50	110.46
	13,084.72	10,684.75
	(2,399.97)	(1,197.01)
Less: Reclassification to Exceptional Item (See note 31)	-	337.42
(Increase)/ Decrease in stocks	(2,399.97)	(1,534.43)

28 Employee Benefits Expense

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Salaries and Wages	6,070.96	5,932.71
Contribution to provident funds	369.44	388.81
Gratuity	160.06	150.58
Staff welfare expenses	250.50	236.14
Contribution to ESI	51.19	105.44
Directors' Sitting fees & Travelling expenses	5.71	6.12
Total	6,907.86	6,819.80

29 Finance Costs

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Interest on Term Loans from Banks	364.71	292.78
Interest on Unsecured Loans (Refer Related Party Note 33.10)	283.49	283.51
Interest on Short Term Borrowings and Working Capital Loans	1,461.81	1,270.68
Interest on Liability component of Preference Shares	65.49	46.15
Interest on lease liability	0.65	-
Other Borrowing Costs	1,025.50	1,102.67
Total	3,201.65	2,995.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

30 Other Expenses

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Consumption of stores & spare parts		
(i) Consumable Stores	505.68	632.39
(ii) Dyes and Chemicals	3,755.71	4,153.74
(iii) Packing Material Consumed	626.87	647.56
Power and fuel		
(i) Electricity Charges	6,038.53	5,674.08
(ii) Fuel Consumed	1,042.28	1,097.06
Rent	17.88	16.93
Security Charges	41.46	42.00
Rates & taxes	152.00	82.91
Printing & Stationery	7.24	8.64
Postage, Telegrams & Telephones	75.66	72.27
Travelling & Conveyance	200.39	175.64
Advertisements	2.30	2.60
Expenses on Sales	1,404.86	1,057.08
Commission on Sales	299.14	392.87
Insurance	263.70	257.06
Legal & Professional Charges	273.29	230.05
Payments to auditors :		
- As auditor	5.00	4.06
- for Tax Audit	1.00	0.65
- for Other Services	0.71	0.67
- Cost Auditor	1.20	1.20
Repairs to :		
- Buildings	29.78	31.53
- Machinery	868.29	945.90
- Other Assets	328.13	286.33
Vehicle Maintenance	44.18	45.94
Upkeep & Maintenance	1,197.76	1,082.85
Miscellaneous Expenses	284.16	257.85
Expenses on Corporate Social Responsibility	23.45	10.89
Donations	3.68	12.99
Loss on Sale of Assets	30.14	16.20
ECL and Provision for Doubtful Debts	63.08	25.39
Bad debts and Debit Balances written off	10.77	83.03
Other Manufacturing expenses	410.01	277.79
Claims Written Off	-	32.12
Total	18,008.33	17,658.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

31 Exceptional Items

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Exceptional Items (Refer note below)	53.86	(367.74)
Total	53.86	(367.74)

Note:

For the year ended 31 March, 2025

- Arrears of Workers Wages Rs 106.72 Lakhs
- Pursuant to a settlement arrived with the Successful Resolution Applicant, M/s. Vasavi Realty Private Limited, in the CIRP (Corporate Insolvency Resolution Process) against Rajvir Industries Limited, an amount of ₹ 25 lakhs against the Company's claim lodged with Resolution Professional of Rajvir Industries Limited was received and the National Company Law Appellate Tribunal (NCLAT) has duly taken the same on record and the same is shown as exceptional item.
- The Company received ₹ 135.58 Lakhs (including salvage value) Lakhs from the Insurance Company for the claim lodged against the fire accident in the Denim Division and the same is shown as exceptional item

For the year ended 31 March, 2024

a) Fire Accident

On June 22, 2023, there was a fire accident in one of the godowns of Denim Division at Ramtek in Maharashtra. There were no human casualties reported. Evacuation team conducted successful evacuation of persons present in at the time of fire. After preliminary investigation, it was found that the cause of fire was due to short circuit.

Consequent to the above, during the year ended March 31, 2024, the carrying value of inventories of Rs. 393.55 Lakhs (including expenses incurred and GST reversals) and carrying value of property plant and equipment of Rs. 51.20 Lakhs has been written off in the statement of profit and loss.

The Company received Rs. 393.95 Lakhs (including salvage value) Lakhs from the Insurance Company for the claim lodged against the fire accident. Accordingly, the balance unrecoverable amount of Rs. (50.80) Lakhs is shown as an exceptional loss.

- Rs. (80.01) Lakhs on account of Interest Paid on Right of Recompense ("ROR") to Banks.
- Rs. (236.93) Lakhs on account of write off of Advance Recoverable from Rajvir Industries.

32 Items that will not be reclassified to profit or loss

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Remeasurements of defined benefit plans	1.53	(90.40)
Equity Instruments through Other Comprehensive Income	(1.20)	5.29
Income Tax on items that will not be reclassified to the Profit or Loss	(0.10)	26.55
Total	0.23	(58.56)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.1 Contingent Liabilities and commitments not provided for in respect of:

(All amounts in ₹ Lakhs , unless otherwise stated)

Sl	Particulars	As at	As at
		31 March 2025	31 March 2024
(i)	Against Foreign & Inland Letters of Credit	3,022.12	2,799.68
(ii)	Against Bank Guarantees	1,030.14	937.27
(iii)	Disputed demand from Customs department towards differential custom duty on garments exported. The Case is dismissed and withdrawn	-	61.49
(iv)	TSPDCL raised demand for Interest/Late payment of charges/dues on the company arising out of delayed receipt of incentive from State Government and R&C charges. The Company is of the opinion that this liability may not arise as there was no delay in payment of dues from Company.	1,414.67	701.25
(v)	Company purchased power from Power exchange for its Spinning division at Amanagallu, R R District, Telangana. TSPDCL imposed Cross subsidy to be paid on power drawn from power exchange at the rate of ₹ 1.29 per unit. On a challenge by the Company of the Order of TSERC, the Hon'ble High Court of Telangana was pleased to stay the cross subsidy rate of ₹1.29 per unit and allowing the Writ petition, directed the DISCOM to levy only 30 paise per Unit. Accordingly the Company has been advised that no liability on account of the differential cross subsidy of ₹ 0.99 paise per unit is likely to arise.	328.64	437.27
(vi)	Cases relating to Industrial disputes with workers pending at labour and Industrial Courts, Nagpur	84.09	480.47
(vii)	Cases relating to Demand for Gram Panchayat Tax raised by Nagardhan Gram Panchayat over and above agreement with them pending before High Court, Nagpur for final hearing. The company is of the opinion that this liability may not arise.	-	126.98
(viii)	Dy Commissioner of Sales Tax, Nagpur, (VAT-E005) has passed Assessment order for Financial Year 2013-14 and disallowed VAT input tax credit on purchase of Coal as Raw material and raised tax demand with interest. The Company has filed appeal before Joint Commissioner of Sales Tax (Appeals) has allowed the appeal.	-	23.69
(ix)	Siri Consultants Ltd filed a suit for recovery against the Company, which was decreed by the City Civil Court, Secunderabad. The Company has challenged the decree in the High Court and the High Court of Telangana was pleased to stay the execution of Decree pending payment. The matter is pending in the High Court. ₹5.78 Lakhs is pre-deposited pursuant to Hon'ble High Court Order.	13.97	13.97
(x)	Dy Commissioner of Sales Tax, Nagpur, (VAT-E005) has passed Assessment order for Financial Year 2015-16 and disallowed VAT input tax credit on purchase of Coal as Raw material and raised tax demand with interest. The Company has filed appeal before Joint Commissioner of Sales Tax (Appeals) has allowed the appeal.	-	29.43
(xi)	Demand raised by Office of the Commissioner CGST, Palghar, Mumbai, for disallowance of GST ITC. The Company has filed appeal before Commissioner Appeals, CGST, Mumbai and the Company is of the opinion that the liability may not arise.	20.70	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.1 Contingent Liabilities and commitments not provided for in respect of: (Contd..)

Other Litigations:

An order has been received from the office of DGFT, Hyderabad for alleged violation of Target Plus Scheme to recover ₹ 3807 Lakhs including interest and penalties in FY2010-11. The High Court of Telangana allowed the Writ Petition filed by the company challenging aforesaid order and that of the appellate authority and directed the JDGFT to refund ₹ 500 lakhs deposited by the company. The office of JDGFT has filed a Writ Appeal before the High Court of Telangana against this order which is pending. A show cause notice on the same issue was issued by DRI and the Commissioner of Customs & Central Excise, Nagpur has confirmed the same which has been challenged by the company before CESTAT, Mumbai, which remanded the matter back to the adjudicating authority with a direction to reconsider the matter in the light of the High Court Order. CESTAT has challenged the same before Nagpur Bench, Mumbai High Court Order which is pending. The company has been advised that no liability is likely to arise under the notice in view of the High Court allowing the Writ Petition filed by the company and the allegations are unfounded and the company is taking adequate steps to defend itself.

33.2 Estimated amount of contracts to be executed on capital account

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at	As at
	31 March 2025	31 March 2024
(i) Contracts to be executed on capital accounts	4,514.45	5,171.33

33.3 There was a major fire accident in spinning department of denim division at Ramtek, Nagpur district, Maharashtra state during January, 2008, in which the Building, Plant & Machinery, Electrical Installations and stocks were totally damaged. The factory was fully insured under reinstatement policy for fixed assets and under declaration policy for stocks. The Company's Insurance claim is processed and settled partly. The Company received an amount of ₹2,609 lakhs from the Insurance Company including salvage during FY2007-08 & 2008-09. The part claim of ₹490 lakhs which is still to be settled by the Insurance Company is shown under Non-Current Other Financial Assets as Claims Receivable. The Company's complaint in this matter is pending before national consumer disputes Redressal commission (NCDRC), New Delhi.

33.4 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with struck off companies.
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

- v) As at March 31, 2025, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the Company. There are certain charges which are historic in nature and it involves practical challenges in obtaining no objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.
- vi) The Company has not revalued its property plant and equipment during the year.
- vii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender
- viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- ix) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- x) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

33.5 Analytical Ratio's:

SL No	Particulars	Numerator	Denominator	FY 2025	FY 2024	% Variance	Reason for variance
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.27	1.25	1.50%	NA
2	Debt-Equity Ratio (in times)	Debt	Equity	1.05	0.85	24%	NA
3	Debt Service Coverage Ratio (in times)	EBITDA	Interest + Principal	1.38	0.92	49%	Note i
4	Return on Equity Ratio	PAT - Pref. Dividend	Average equity	1.36	1.36	17%	NA
5	Inventory turnover ratio (in times)	Cost of goods sold **	Average Inventory	3.68	4.19	-12%	NA
6	Trade Receivables turnover ratio(in times)	Revenue from Operations	Average trade receivable	4.35	4.84	-10%	NA
7	Trade payables turnover ratio(in times)	Net Purchases	Average trade payable	3.62	3.62	0%	NA

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.5 Analytical Ratio's: (Contd..)

Sl. No	Particulars	Numerator	Denominator	FY 2025	FY 2024	% Variance	Reason for variance
8	Net capital turnover ratio (in times)	Revenue from Operations	Working capital \$	7.95	8.63	-8%	NA
9	Net profit ratio	Net Profit/(Loss) After Tax	Revenue from Operations	0.46	0.46	0%	NA
10	Return on Capital employed	EBIT	Average capital employed	6.46	6.96	-7%	NA
11	Return on investment	Income from Investments	Time Weighted Average Investment	-5.84	34.65	-117%	Note ii

Note : Previous Year Ratios were reworked and shown due to regrouping of figures in Financial Statements.

** Cost of Goods Sold = Cost of Material Consumed + Purchases of Stock in Trade + Changes in inventories of FG + Manufacturing and operating Expenses

§ - Working Capital = Current Assets - Current Liabilities

Notes:

- i) Debt Service coverage Ratio – improved due to lower repayments during the current financial year
- ii) Return on Investment- Decrease in the ratio is due to decrease in market value of investments in the current year.

33.6 Corporate Social Responsibility:

Sl.	Particulars	2024-25	2023-24
		Amount (₹)	Amount (₹)
(i)	Amount required to be spent by the Company during the year	18.26	23.25
(ii)	Amount of expenditure incurred	23.45	10.89
(iii)	shortfall at the end of the year	NIL	12.36
(iv)	total of previous years shortfall	NIL	NIL
(v)	reason of shortfall	NIL	Set off from Surplus of previous financial years
(vi)	nature of CSR Activities	Promoting Education, Police Welfare Fund, Sports Animal Welfare, Health Care, Etc.	
(vii)	details of related party transactions, contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
(viii)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NIL	NIL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.7 Capital Management

The company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the company.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short term borrowings.

The company's policy is aimed at combination of short term and long-term borrowings. The company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the company.

Gearing Ratio

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Debt	28,305.16	22,590.32
(b) Cash & Cash Equivalents	85.28	17.59
(c) Net Debt (a) - (b)	28,219.88	22,572.73
(d) Total Equity	26,968.75	26,605.20
Capital Gearing ratio (c)/(d)	1.05	0.85

No Changes were made in the objectives, policies or processes for managing capital during the years ended 31 march, 2025 and 31 march, 2024.

33.8 Income Taxes

(i) Reconciliation of Tax Expense and Accounting profit multiplied by Applicable tax rate

(All amounts in ₹ Lakhs , unless otherwise stated)

	For the year ended 31 March 2025	For the year ended 31 March 2024
(i) Tax expense recognized in Statement of Profit and loss (from continuing and discontinued operations)		
Current Tax	105.50	98.00
Earlier Year Tax	-	54.54
Deferred Tax (including MAT credit Entitlement)	83.52	109.13
Total	189.02	261.67
(ii) Effective tax Reconciliation		
(a) Profit/(loss) before tax (from continuing and discontinued operations)	552.24	622.42
(b) Applicable tax rate	34.944%	34.944%
(c) Tax expense on Net profit (a*b)	192.97	217.50
(d) Increase/(decrease) in tax expenses on account of:		
- Expenses not allowed under income tax	(3.95)	25.04
- Others	-	19.13
Total (d)	(3.95)	44.17
(e) Tax Expense as per Statement of Profit and loss (c+d)	189.02	261.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.9 Post-Employment Benefits

Contributions to Defined Contribution Plans

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
Contribution to Provident and other funds	369.44	388.81
Contribution to Employee State Insurance	51.19	105.44
Total	420.63	494.25

Defined Benefit Plans:

(i) Gratuity (Unfunded)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
A Changes in Present Value of Defined Benefit Obligation		
Opening defined benefit obligation	1,145.00	950.55
Interest cost	78.30	69.64
Current services cost	81.76	80.94
Benefits paid	(120.98)	(46.53)
Actuarial(gains)/losses on obligation	(1.53)	90.40
Closing defined benefit obligation	1,182.55	1,145.00
B Changes in Fair Value of Plan Assets		
Opening Fair value of plan assets		-
Adjustments to opening balance		
Expected Return		
Contributions	(120.98)	(46.53)
Benefits paid	(120.98)	(46.53)
Actuarial Gain/(loss)	-	-
Closing fair value of plan assets	-	-
C Expenses recognized in statement of profit and loss		
Current Service Cost	81.76	80.94
Interest Cost on benefit obligation	78.30	69.64
Expected return on plan assets		
Total	160.06	150.58
D Expenses recognized in Other Comprehensive Income		
Actuarial(gains)/losses on obligation	(1.53)	90.40
Return on plan assets (greater)/lesser than discount rate		
Total	(1.53)	90.40
E Actuarial Assumptions		
Salary Escalation	0%	0%
Rate of Discounting	6.85%	7.22%
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%
Withdrawal Rate	2% to 10%	2% to 10%
Normal Retirement Age	58 years	58 years
Average Future Service	16.41	17.71

F. Sensitivity Analysis

The financial results are sensitive to the actuarial assumptions. The changes to the Defined Benefit Obligations for increase / decrease of 1% from assumed salary escalation, withdrawal and discount rates are given below:

Particulars	31st March 2025	
	Increase	Decrease
Salary escalation	8.31%	(7.43%)
Withdrawal rate	3.88%	(4.25)%
Rate of Discounting	(6.50)%	7.33%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.9 Post-Employment Benefits (Contd..)

(ii) Leave Encashment (unfunded)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
A Changes in Present Value of Defined Benefit Obligation		
Opening defined benefit obligation	97.00	111.46
Interest cost	5.86	7.99
Current services cost	37.14	2.28
Benefits paid	(31.76)	(10.15)
Actuarial(gains)/losses on obligation	(13.09)	(14.58)
Closing defined benefit obligation	95.15	97.00
B Expenses recognized in statement of profit and loss		
Current Service Cost	37.14	(2.28)
Interest Cost on benefit obligation	5.86	(7.99)
Total	43.00	(10.27)
C Expenses recognized in Other Comprehensive Income		
Actuarial(gains)/losses on obligation	(13.09)	(14.58)
Total	(13.09)	(14.58)
D Actuarial Assumptions		
Salary Escalation	0%	0%
Rate of Discounting	6.85%	7.22%
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%
Attrition Rate	2.0% to 10.0%	2.0% to 10.0%
Normal Retirement Age	58 years	58 years
Leave Encashment Rate during employment	10%	10%
Leave Availment Rate	2%	2%

E. Sensitivity Analysis

The financial results are sensitive to the actuarial assumptions. The changes to the Defined Benefit Obligations for increase / decrease of 1% from assumed salary escalation, Attrition and discount rates are given below:

Particulars	31st March 2025	
	Increase	Decrease
Salary escalation	4.40%	(4.10)%
Attrition rate	0.90%	(1.00)%
Rate of Discounting	(3.30)%	3.60%

33.10 Related Party Disclosures

Name of Related Parties	Nature of Relationship
a. Shri L N Agarwal (Chairman & Managing Director)	Key Managerial Personnel
b. Shri Paritosh Agarwal (Managing Director)	
c. Shri E V S V Sarma (Company Secretary)	
d. Shri S K Agarwal (CFO) w.e.f 1st Jan, 2025	
e. Shri B M Vijaya Kumar (CFO) up to 17th Oct, 2024	Close Members of Key Managerial Personnel
f. Smt Sabita Jain	
g. Smt Padmini Agarwal	
h. Shri Vedant Agarwal	
i. L N Agarwal (HUF)	Enterprises over which key managerial personnel and their relatives have significant influence
j. Paritosh Agarwal (HUF)	
k. M/s Jayman Dealers Pvt Ltd	
l. M/s SVP Distributors Pvt. Ltd	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.10 Related Party Disclosures (Contd..)

(i) Transactions with Key Managerial Personnel

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the year ended 31-03-2025	For the year ended 31-03-2024	Receivable/ (Payable) as on 31.03.2025	Receivable/ (Payable) as on 31.03.2024
Remuneration:				
Shri L N Agarwal	78.10	78.10	(4.00)	(3.00)
Shri Paritosh Agarwal	74.74	70.46	(3.35)	(2.35)
Shri Vedant Agarwal	30.07	22.57	(1.52)	(0.98)
Shri E V S V Sarma	22.48	21.23	(1.56)	1.67
Shri S K Agarwal	4.71	-	(1.41)	-
Shri B M Vijaya Kumar	20.07	26.61	-	2.00
Interest Expense:				
Shri L N Agarwal	51.97	47.65	(10.96)	-
Shri Paritosh Agarwal	82.55	78.74	(18.25)	-
Smt Padmini Agarwal	89.66	87.25	(20.14)	-
L N Agarwal (HUF)	2.66	-	(2.37)	-
Paritosh Agarwal (HUF)	3.29	-	(2.96)	-
Unsecured Loan:				
Shri L N Agarwal	25.00	-	(705.68)	(680.68)
Shri Paritosh Agarwal	50.00	-	(1,174.82)	(1,124.82)
Smt Padmini Agarwal	50.00	-	(1,296.37)	(1,246.37)
L N Agarwal (HUF)	150.50	-	(150.50)	-
Paritosh Agarwal (HUF)	203.00	-	(203.00)	-

(ii) Sitting Fees paid to Independent Directors:

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the year ended 31-03-2025	For the year ended 31-03-2024	Receivable/ (Payable) as on 31.03.2025	Receivable/ (Payable) as on 31.03.2024
Shri R Surender Reddy	0.23	0.30	nil	nil
Shri Navranglal Tibrewal	nil	0.40	nil	nil
Shri R S Agarwal	nil	0.10	nil	nil
Shri Arvind Sadashiv Mokashi	0.28	0.23	nil	nil
Shri Dhruv Vijai Singh	0.38	0.48	nil	nil
Smt Aruna Prasad	0.28	0.15	nil	nil
Shri M Balaji Chowda Reddy	0.10	nil	nil	nil

(iii) Transaction with Relatives of Key Managerial Personnel

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the year ended 31-03-2025	For the year ended 31-03-2024	Receivable/ (Payable) as on 31.03.2025	Receivable/ (Payable) as on 31.03.2024
Rent:				
Smt. Sabita Jain	3.40	10.20	-	(2.30)

(iv) Transaction with Enterprises over which key managerial personnel have significant influence:

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transactions	For the year ended 31-03-2025	For the year ended 31-03-2024	Receivable/ (Payable) as on 31.03.2025	Receivable/ (Payable) as on 31.03.2024
Interest:				
M/s. Jayman Dealers Pvt Ltd.	32.38	31.13	(27.86)	(12.10)
M/s.SVP Distributors Pvt. Ltd	16.72	30.56	(17.70)	(12.03)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.10 Related Party Disclosures (Contd..)

(All amounts in ₹ Lakhs , unless otherwise stated)

Nature of transactions	For the year ended 31-03-2025	For the year ended 31-03-2024	Receivable/ (Payable) as on 31.03.2025	Receivable/ (Payable) as on 31.03.2024
Unsecured Loans:				
Inter corporate Deposits:				
M/s Jayman Dealer Pvt Ltd.,	250.00	100.00	(550.00)	(300.00)
M/s SVP Distributors Pvt Ltd	(100.00)	150.00	(131.00)	(231.00)
Purchase of Yarn:				
M/s. Jayman Dealers Pvt Ltd	12.54	384.02	-	-
Sale of Yarn & Fabric :				
M/s. Jayman Dealers Pvt Ltd	460.04	382.00	-	(55.58)
Purchase of Cotton & Fabric:				
M/s. Jayman Dealers Pvt Ltd	623.68	654.98	-	(181.34)
Rent:				
M/s. Jayman Dealers Pvt Ltd	2.40	2.40	(0.43)	(0.65)

33.11 Earnings per share (Basic and diluted)

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	For the Year ended 31 March, 2025	For the Year ended 31 March, 2024
(a) Profit/(loss) after tax from continuing operations (₹ in lakhs)	363.32	360.75
(b) Weighted average number of Equity shares during the year (face value of ₹ 10 each)	188.05	188.05
(c) Earnings per Equity Share from continuing operations - Basic & Diluted (in ₹)	1.93	1.92

33.12 Non Current Assets Held for sale and discontinued operations

As required by the Ind AS 105, Non Current Assets held for Sale and Discontinued Operations, Some of the Assets of Spinning & Garment division are lying in Asset held for sale and the same is expected to be sold during the coming financial year.

33.13 Financial Instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3 as described below.

Level 1 – Quoted prices in an active market:

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of Listed Equity shares.

Level 2 – Valuation techniques with observable inputs:

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.12 Non Current Assets Held for sale and discontinued operations (Contd..)

Financial Assets and Liabilities

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Carrying Amount			Fair Value Hierarchy			
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
As at 31st March 2025							
Financial Assets							
Investments (Refer note below)			19.34	19.34	19.34		
Trade Receivables	17,915.39			17,915.39			
Cash and cash equivalents	85.28			85.28			
Bank balances other than (ii) above	2,272.39			2,272.39			
Loans	18.24			18.24			
Others (Current and Non Current)	3,163.43			3,163.43			
Financial Liabilities							
Borrowings	28,305.16			28,305.16			
Trade Payables	13,264.73			13,264.73			
Others	1,647.82			1,647.82			
As at 31st March 2024							
Financial Assets							
Investments (Refer note below)			20.54	20.54	20.54		
Trade Receivables	17,952.05			17,952.05			
Cash and cash equivalents	17.59			17.59			
Bank balances other than (ii) above	879.63			879.63			
Loans	17.65			17.65			
Others	3,256.81			3,256.81			
Financial Liabilities							
Borrowings	22,590.32			22,590.32			
Trade Payables	17,646.12			17,646.12			
Others	1,436.06			1,436.06			

Note: Investments in equity instruments are measured at FVTOCI in accordance with paragraph 5.7.5 of Ind AS 109.

33.14 Financial Risk Management Objectives and Policies

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The company has a risk management policy which not only covers the foreign exchange risks, but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management framework aims to:

1. Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the company's business plan.
2. Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives policies and processes for the management of these risks.

(i) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk, currency rate risk, interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include investments in equity shares.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.14 Financial Risk Management Objectives and Policies (Contd..)

a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. Since the Company has only fixed interest-bearing debts, exposure to interest rate risk is minimal.

b. Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from goods supplied or received that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars (\$). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The following table demonstrates the sensitivity in the USD to the Indian Rupee with all other variables held constant. The impact on the company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below:

(All amounts in ₹ Lakhs , unless otherwise stated)			
Particulars	Change in Rate	For the year	For the year
		ended 31st March 2025	ended 31st March 2024
USD	+ 0.50%	(14.44)	(19.57)
	- 0.50%	14.44	19.57

c. Other price risk

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company is exposed to price risk arising mainly from investments in Equity shares recognized at FVTOCI.

Sensitivity analysis of 1% change in price of security as on reporting date.

(All amounts in ₹ Lakhs , unless otherwise stated)				
Particulars	Impact on Profit & Loss		Impact on OCI	
	2024-25	2023-24	2024-25	2023-24
Listed Equity shares (1% change in price)	nil	nil	0.19	0.21
Total	nil	nil	0.19	0.21

(ii) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable.

(iii) Liquidity Risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.14 Financial Risk Management Objectives and Policies (Contd..)

The company ensures that it has sufficient cash on demand to meet expected operational demands including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Total	On Demand	< 1 year	1 to 5 years	> 5 years
As at 31 March 2024					
Borrowings - Non-Current	6,812.43			6,812.43	-
Borrowings - Current	15,777.89	14,069.98	1,707.91		-
Trade Payables	17,646.12	17,646.12			-
Other financial liabilities	1,436.06	1,436.06			-
As at 31 March 2025					
Borrowings - Non-Current	7,417.99	-	-	7,417.99	
Borrowings - Current	20,887.17	16,427.49	4,459.68		
Trade Payables	13,264.73	13,264.73			
Other financial liabilities	1,647.82	1,647.82			

33.15 Operating Segments

The company's operating segments are established on the basis of those components of the company that are evaluated regularly by the Chairman & Managing Director (the 'Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The company has a single operating segment as the operating results of the company are reviewed on an overall basis by the CODM.

Therefore, there is only one operating and reporting segment namely, "Textiles"

(a) Information about Products and Services

(All amounts in ₹ Lakhs , unless otherwise stated)

Products	Revenues
a. Yarn	30,611.11
b. Fabric	46,524.39
c. Trading of Cotton/PSF	135.92
d. Sale of Waste	732.12
e. Job work income	1.98
f. Export Benefit entitlement	1,125.79
g. Packing & Forwarding collection charges	11.58
h. Scrap Sales	33.57
Total Revenue from operations	79,176.46

(b) Information about geographical areas

(All amounts in ₹ Lakhs , unless otherwise stated)

Geographical Location	Revenues	Non Current Assets other than financial instruments and deferred tax assets
(A) Within India	60,571.50	26,498.30
(B) Outside India		
- Bangladesh	15,439.08	
- Colombia	301.20	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.15 Operating Segments (Contd..)

(All amounts in ₹ Lakhs , unless otherwise stated)

Geographical Location	Revenues	Non Current Assets other than financial instruments and deferred tax assets
- Guatemala	1,859.27	
- Madagascar	686.46	
- South Korea	317.90	
- Sri Lanka	1.05	
- TOTAL	79,176.46	

(c) Information about major customers

Revenue from transactions with a single customer exceed 10% or more of entity revenues – During the year under report and in the previous year there is no single customer having transactions with the Company's three operating segments exceeding 10% or more of the entity revenues.

33.16 Leases

- A.** The company takes on lease premises (offices/godowns) for operations and storage purposes. Accordingly, the Company recognizes a right-of-use asset and a lease liability for its leases, if the contract conveys the right to control the use of an identified asset.
- B.** The changes in the carrying value of ROU assets for the year ended march 31, 2025 are as follows.

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	Land & Building
Balance at the beginning of the year	542.22
Addition during the year	10.69
Deletion during the year	-
Amortization	(8.98)
Carrying Amount of ROU assets at the end of the year	543.93

*This pertains to upfront lease amount of ₹ 356.76 lakhs and ₹ 242.36 lakhs paid to Maharashtra Industrial Development Corporation (MIDC) towards factory land lease of Amaravati Unit -1 (Spinning Unit) and Amaravaxti Unit -2 (Weaving Unit) respectively for a period of 95 years.

- C.** The movement in lease liabilities are as follows.

Particulars	Year ended March 31, 2025
Balance at the beginning of the year	-
Additions during the year	10.69
Interest on lease liability	0.65
Less: Payment of lease liabilities	(3.06)
Balance at the end of the year	8.28

Maturity analysis of lease liabilities as of 31st March 2025

Particulars	Amount (₹ In lakhs)
Less than 1 year	
1-5 years	8.28
> 5 years	-

Maturity analysis of lease liabilities as of 31st March 2024

Particulars	Amount (₹ in lakhs)
Less than 1 year	-
1-5 years	-
> 5 years	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31st March, 2025

33.17 Dues to Micro, Small and Medium Enterprises

The information as required to be disclosed w.r.t. Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is as given below and the information mentioned under Trade Payable w.r.t. dues to Micro and Small Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied on by the Auditors :

(All amounts in ₹ Lakhs , unless otherwise stated)

Particulars	As at	As at
	31 March, 2025	31 March, 2024
(a) The principal amount remaining unpaid as at the end of the year.	1,017.24	2,786.91
(b) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(c) Amount of interest paid by the Company in terms of Section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).	-	-
(e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2006).	-	-

33.18 Previous Year's figures have been reclassified, wherever necessary so as to conform with those of Current year.

as per our report of even date attached
for **Brahmayya & Co.**

Chartered Accountants
Firm Registration No.: 0005135

(K Shravan)

Partner
Membership No. 215798

Place: Hyderabad
Date: 27.05.2025

For and on behalf of Board of Directors

(E.V.S.V. Sarma)

Company Secretary
M.NO. A5220

(S K Agarwal)

Chief Financial Officer
M.NO. A200290

(L. N. Agarwal)

Chairman & Managing Director
DIN: 00008721

(Paritosh Agarwal)

Managing Director
DIN: 00008738

(Dhruv Vijai Singh)

Director
DIN: 07180749

NOTICE

NOTICE is hereby given that the 62nd Annual General Meeting (AGM) of the Members of Suryalakshmi Cotton Mills Limited will be held on Tuesday, 30th September, 2025 at 11:00 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 6th Floor, Surya Towers, 105, S. P. Road, Secunderabad - 500 003 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be held thereat, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of Profit and Loss for the year ended 31st March, 2025 and audited Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To appoint Sri R. Surender Reddy (DIN - 00083972) who retires by rotation as a Director and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM 3: TO APPROVE RE-APPOINTMENT OF SRI PARITOSH AGARWAL (DIN - 00008738) AS A MANAGING DIRECTOR

To consider, and if thought fit, to pass the following resolution with or without modification(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT subject to the provisions of Sections 196, 197, 203 and 152 and other applicable provisions if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of managerial personnel) rules, 2014 read with schedule V thereof as amended upto date, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended by the Nomination & Remuneration Committee and Board of the Company, and the consent of the Term Lenders, the consent of the Company be and is hereby accorded to the re-appointment of Sri Paritosh Agarwal (DIN: 00008738), Managing Director for a period of 5 years from 21/06/2025 to 20/06/2030 on the following terms and conditions:

- i. **SALARY:** ₹ 4,50,000/- per month
- ii. **COMMISSION**

At the rate of 2% of the Net Profit of the Company or 50% of annual salary whichever is lower.

iii. PERQUISITES

In addition to the salary and commission as stated above Sri Paritosh Agarwal shall be entitled to the following perquisites.

CATEGORY - A

(i) HOUSING:

Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.

(ii) MEDICAL REIMBURSEMENT:

Expenses incurred for self and his family subject to a ceiling of one month's salary per year or three months' salary in a period of three years.

(iii) LEAVE TRAVEL CONCESSION:

For self and family once in a year incurred accordance with the Rules of the Company.

iv) CLUB FEES:

Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

(v) PERSONAL ACCIDENT INSURANCE:

Of an amount the premium of which shall not exceed ₹ 4,000/- per annum.

CATEGORY - B

- (i) Contributions by the Company to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company.

- (ii) Payment of gratuity subject to an amount equal to half a month's salary for each completed year of service.

CATEGORY - C

- (i) The Company shall provide a Car with driver and a telephone at the residence.

- (ii) Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites."

"RESOLVED FURTHER THAT the appointment of Sri Paritosh Agarwal be subject to retirement by rotation and when reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director and such reappointment shall not be deemed to constitute a break in his appointment as Managing Director."

"RESOLVED FURTHER THAT in the absence of or inadequacy of profits in any year Sri Paritosh Agarwal be paid the above remuneration as minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the terms and conditions of the said appointment be altered or varied by the Board as allowed by the Members so as not to exceed the limits specified in Section 197 read with Schedule V or other applicable provisions, if any, of the Companies Act, 2013 or any other amendments thereto, as may be agreed between the Board and Sri Paritosh Agarwal."

"RESOLVED FURTHER THAT necessary prescribed returns be submitted to the authorities regarding this appointment and any Director of the Company be and are hereby severally authorised to do any acts, deeds or things as may be necessary to give effect to the aforesaid resolutions."

ITEM 4: TO APPOINT THE SECRETARIAL AUDITORS OF THE COMPANY

To consider, and if thought fit, to pass the following resolution with or without modification(s) as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 204 and 179(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s), re-enactment thereof for the time being in force and amended from time to time) and circulars issued thereunder from time to time and based on the recommendation of the Audit Committee

and the Board of Directors, consent of the members of the Company be and is hereby accorded for appointment of K V C Reddy & Associates, Practicing Company Secretaries (Peer Review Certificate 2301/2022) as the Secretarial Auditors of the Company for a period of 5 consecutive years from the conclusion of the 62nd Annual General Meeting till the conclusion of the 67th Annual General Meeting of the Company to be held in Financial Year 2030 (i.e. for the Financial Year 01/04/2025 - 31/03/2026 to 01/04/2029 - 31/03/2030), on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and Secretarial Auditors."

"RESOLVED FURTHER THAT the Board of Directors including its' committee thereof be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental hereto."

ITEM 5: RATIFICATION OF THE REMUNERATION OF COST AUDITOR

To consider, and if thought fit, to pass the following resolution with or without modification(s) as an ORDINARY RESOLUTION.

"RESOLVED THAT the Company do hereby approve and ratify in terms of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s), re-enactment thereof for the time being in force and amended from time to time), the remuneration of Rs. 1,20,000/- (Rupees One Lakh twenty thousand only) plus out of pocket expenses payable to M/S. S. Hariharan & Associates., (Firm Registration No. 100486), Cost Accountants for the cost audit to be conducted by them of the cost records of the Company for the financial year 2025-26."

By Order of the Board of Directors
for SURYALAKSHMI COTTON MILLS LIMITED

E. V. S. V. SARMA
COMPANY SECRETARY &
COMPLIANCE OFFICER
(M.No.- A5220)

Place : Secunderabad
Date : 27th May, 2025.

NOTES :

1. The register of members and share transfer books will be closed from Tuesday, 23rd September, 2025 to Tuesday, 30th September, 2025 (both days inclusive) for the purpose of Annual General Meeting.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') setting out the material facts and reasons for the proposed resolutions is annexed to the Notice of the AGM. Further, the relevant details with respect to Director seeking appointment and re-appointment at this AGM are also provided along with the Notice [Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India].
3. The Ministry of Corporate Affairs ("MCA") permitted holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. In compliance with the MCA Circulars, AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM. [General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 in relation to "Clarification on holding of AGM through VC/ OAVM, collectively referred to as "MCA Circulars"].
4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice.
5. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard-2 Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting along with participating at the AGM through VC/OAVM and e-voting during the AGM is being provided by Kfin Technologies Limited ('Kfintech'), the Registrar and Transfer Agent ('RTA') of the Company.
6. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in this Notice or Explanatory Statement will be available electronically for inspection by the Members from the date of dispatch of this Notice up to the date of AGM before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to cs@suryalakshmi.com from their registered e-mail addresses mentioning their name, folio number/DPID and Client ID and PAN.
7. The Company has appointed Sri K. V. Chalama Reddy (Membership No. FCS 9268) of M/s K V C Reddy & Associates, Practising Company Secretaries, as the Scrutinizer for scrutinizing the entire voting process i.e., remote e-voting and e-voting during the AGM to ensure that the process is carried out in a fair and transparent manner.
8. Corporates/Institutional members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter, etc. authorizing its representative(s) to vote on its behalf, to the Company at e-mail ID: cs@suryalakshmi.com with a copy marked to evoting@kfintech.com.
9. Amount of Un-claimed Dividend for the financial year 2016-17 has been already deposited in the Investors Education and Protection Fund. Subsequently, no dividend has been declared so far.
10. The Company has already transferred 24736 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL in terms of the provisions of section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such Shareholders whose unclaimed/ unpaid dividend

pertaining to financial year 2016-17 had been transferred into IEPF and who have not encashed their dividends for 7(Seven) subsequent financial years. Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on www.iepf.gov.in.

11. In case any Dividend has remained unclaimed for financial years upto 2016-17 the Shareholders may approach the Company with their dividend warrants for revalidation with the Letter of Undertaking for issue of duplicate dividend warrants. The Company regularly sends letters/ emails to this effect to the concerned Shareholders.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

Electronic Dispatch of Annual Report and Process for Registration of Email Id:

13. Pursuant to the provisions of MCA circulars and SEBI circulars, this Notice along with the Annual Report of the Company are being sent through electronic mode to those members whose email addresses are registered with the Company/KFintech/National Securities Depository Limited ('NSDL') and/or Central Depository Services (India) Limited ('CDSL') (collectively referred to as 'Depositories') and whose names appear in the Register of Members/List of Beneficial Owners as received from the Depositories.

Members can request for hard copy of the Annual Report & AGM notice by sending a request at cs@suryalakshmi.com and einward.ris@kfintech.com.





14. Members may note that this Notice along with the Annual Report of the Company are available on the website of the Company at <http://www.suryalakshmi.com/investor-overview.aspx>, website of KFin at <https://evoting.kfintech.com> website of the stock exchanges i.e., BSE Limited at <https://www.bseindia.com/> and the National Stock Exchange of India Limited at <https://www.nseindia.com/>.
15. To support the 'Green Initiative', members who have not yet registered their e-mail address are requested to register the same with their Depository Participants ('DP') in case the shares are held in dematerialized form and with the Company/KFintech in case the shares are held in physical form.

Procedure for Remote E-Voting and E-Voting during the AGM:

16. Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.
17. The remote e-Voting period commences on Thursday, 25th September, 2025 from 9:00 a.m. (IST) and ends on Monday, 29th September, 2025 at 5:00 p.m. (IST). During this period, members of the Company holding shares either in physical form or in demat form, as on Tuesday, 23rd September, 2025 ('Cut-off date') may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFintech for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
18. The facility of e-voting during the AGM will be available to those members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC/ OAVM, but will not be entitled to cast their vote once again on the resolutions. If a member cast votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
19. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFintech, on all the resolutions set forth in this Notice.
20. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
21. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date i.e., Tuesday, 23rd September, 2025.

22. Any person holding shares in physical form and non-individual shareholders, holding shares as on the Cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. In case they are already registered with Kfintech for remote e-Voting, they can use their existing user ID and password for voting.
23. The process and manner for remote e-voting and joining and voting at the AGM are explained below:
- Access to Depositories e-voting system in case of individual members holding shares in demat mode;
 - Access to Kfintech e-voting system in case of members holding shares in physical mode and non-individual members in demat mode;
 - Access to join the AGM on Kfintech system to participate and vote during the AGM.

A) Access to Depositories e-voting system in case of individual members holding shares in demat mode:

Type of Members	Login Method
Individual members holding shares of the Company in demat mode with NSDL	<p>1. User already registered under IDeAS facility:</p> <ol style="list-style-type: none"> Visit the e-services website of NSDL at https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-services home page click on the "Beneficial Owner" icon under 'Login' under IDeAS section. On the new page, enter user ID and password. After successful authentication, please click on 'Access to e-Voting'. Click on the Company name i.e., 'Suryalakshmi Cotton Mills Limited' or ESP, i.e., Kfin. Members will be re-directed to Kfin's website for casting the vote during the remote e-voting period. <p>2. User not registered under IDeAS facility:</p> <ol style="list-style-type: none"> Visit https://eservices.nsdl.com for registering. Select 'Register Online for IDeAS' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. After registration, visit https://www.evoting.nsdl.com/ Once the home page of e-voting is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. Members will have to enter their user ID (i.e. sixteen-digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen. After successful authentication, members will be requested to select the name of the Company i.e., Suryalakshmi Cotton Mills Limited or ESP i.e., KFin after which the members will be redirected to Kfin's website for casting the vote during the remote e-voting period. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>

Type of Members	Login Method
Individual members holding shares of the Company in demat mode with CDSL	<p>1. User who have already opted for Easi/Easiest:</p> <ol style="list-style-type: none"> Members are requested to visit https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com. Click on 'New System Myeasi'. Members are requested to login with their registered user ID and password. Members will be able to view the e-voting menu. The menu will have links of KFin's website, which will redirect them to e-voting page of KFin to cast their vote without any further authentication. <p>2. User not registered under Easi/Easiest:</p> <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasitoken/home/login for registering. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. After successful registration, please follow the steps given in point no. 1 above to cast your vote. <p>3. Alternatively, by directly accessing the e-voting website of CDSL:</p> <ol style="list-style-type: none"> Visit www.cdslindia.com Members are required to provide their demat account number and PAN number. System will authenticate user by sending OTP on their registered mobile & email ID as recorded in the demat account. After successful authentication, members will be provided link for selecting the name of the Company i.e., Suryalakshmi Cotton Mills Limited or for selecting ESP i.e., KFin. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual members login through their demat accounts/ website of Depository Participant	<ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their DP registered with NSDL/CDSL for e-voting facility. Once logged-in, members will be able to see e-voting option. After clicking on e-voting option, members will be redirected to NSDL/CDSL website after successful authentication, wherein members will be able to see e-voting feature. Click on options available against the Company's name i.e., Suryalakshmi Cotton Mills Limited or ESP i.e., KFin, and members will be redirected to e-voting website of KFin for casting vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve user ID/password are advised to use 'Forgot user ID' and 'Forgot Password' option available at respective websites.

Helpdesk for individual members holding shares of the Company in demat mode for any technical issues related to login through NSDL/CDSL:

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or contact at 022-4886 7000
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 210 99 11

B) Access to Kfintech e-voting system in case of members holding shares in physical mode and non-individual members in demat mode:

1. Members whose email IDs are registered with the Company/DP(s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), user ID and password. The following process shall be followed:

- i. Launch internet browser by typing the URL: [https:// evoting.kfintech.com](https://evoting.kfintech.com).
- ii. Enter the login credentials (i.e. user ID and password). Members holding shares in physical mode: user ID will be EVEN, followed by folio number. Members holding shares in demat account: user ID will be DP ID and Client ID. However, if members are already registered with Kfintech for e-voting, they can use their existing user ID and password for voting purpose.
- iii. After entering these details appropriately, click on 'LOGIN'.
- iv. Members will be required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt to change the password and update the contact details like mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve the password (if required). It is strongly recommended that members should not share their password with any other person and take utmost care to keep their password confidential.
- v. Members are required to login again with their new credentials.
- vi. On successful login, the system will prompt to select the 'EVEN' i.e., 'Suryalakshmi Cotton Mills Limited' and click on 'Submit'.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under 'FOR/

AGAINST' or alternatively, members may partially enter any number in 'FOR' and partially 'AGAINST' but the total number in 'FOR/AGAINST' taken together shall not exceed the total shareholding as mentioned herein above. Members may also choose the option 'ABSTAIN'.

If the member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the Notice separately. In case members do not desire to cast their vote on any specific item, it will be treated as abstained.
- x. Members may then cast their vote by selecting an appropriate option and click on 'Submit'.
- xi. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once members have voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the resolution(s).
- xii. Corporates/Institutional members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/ Authority Letter, etc. authorizing its representative(s) to vote on its behalf, to the Company at e-mail ID: cs@suryalakshmi.com with a copy marked to evoting@kfintech.com. They may also upload the same in the e-voting module in their login page. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_EVEN'
- xiii. If you have forgotten your password, you can reset your password by using 'Forgot Password' available on <https://evoting.kfintech.com> and following the password reset options provided therein or contact KFINTECH at toll free no.: 1800- 309-4001.

2. Members whose email IDs are not registered with the Company/DP(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. In case shares are held in demat mode, please provide DP Id.-Client Id. (DP Id + Client Id), name, client master or copy of Consolidated Account Statement, self-attested scan copy of PAN card and Aadhar to evoting@kfintech.com.

If you are an individual shareholder holding securities in demat mode, please refer to the login method explained at Note 23(A) i.e. Login method for e-Voting for individual shareholders holding shares in demat mode.

If you are a non-individual shareholder holding securities in demat mode, please refer to the login method explained at Note 23(B) i.e. Login method for e-Voting for non-individual shareholders holding shares in demat mode.

- ii. In case shares are held in physical mode, please provide Folio No., name of shareholder, scan copy of the share certificate (front and back), self-attested scanned copy of PAN card and Aadhar by email to evoting@kfintech.com.

If you are an individual shareholder holding securities in physical mode, please refer to the login method explained at Note 23(B) i.e. Login method for e-Voting for individual shareholders holding shares in physical mode.

- iii. Alternatively, shareholder may send a request to evoting@kfintech.com for procuring user id and password for e-Voting by providing above mentioned documents. After receiving the e-voting instructions, please follow steps explained at Note 23 to cast your vote by electronic means.

C) Access to join the AGM on Kfintech system to participate and vote during the AGM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM platform provided by Kfintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in

the email received from the Company/ Kfintech. After logging in, click on the 'Video Conference' tab and select the 'EVEN' of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the user ID and password for e-voting or have forgotten their user ID and password may retrieve the same by following the remote e-voting instructions mentioned above.

2. Facility for joining this AGM through VC/OAVM shall be open at least 15 minutes before the commencement of the AGM.
3. Members are encouraged to join the AGM through their laptops/desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
4. Members will be required to grant access to the webcam to enable VC/OAVM. Further, members connecting from their mobile devices/tablets/laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.
6. Facility of joining the AGM through VC/OAVM shall be available for atleast 2,000 members on first come first served basis.
7. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.
8. In case of any query and/or assistance required, relating to attending the AGM through VC/OAVM mode, members may refer to the Help & Frequently Asked Questions ("FAQs") and 'AGM VC/OAVM' user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Mohammed Shanoor, Assistant Manager, Kfintech at the email ID evoting@kfintech.com or on phone No.: 040-6716 2222 or call Kfintech's toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.

General:

24. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

25. Members holding shares as on the Cut-off date i.e., 23rd September, 2025 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> by clicking on 'Speaker Registration' during the period from 27th September, 2025 (9:00 a.m. IST) up to 28th September, 2025 (5:00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Alternatively, members holding shares as on the Cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will open from 28th September, 2025 (9:00 a.m. IST) up to 29th September, 2025 (5:00 p.m. IST).

26. Members whose names appear in the Register of Members / list of Beneficial Owners as on the Cut-off date, are entitled to vote on the resolutions set forth in this Notice. A person who is not a member as on the Cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.
27. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the Cutoff date for e-voting, they may obtain the user ID and password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may send an e-mail request to evoting@kfintech.com. After due verification of the request, User ID and password will be sent to the Member. Once the password is received/retrieved by the shareholder, you may kindly follow the instructions as mentioned under Note No. 23 above and cast vote by remote e-voting.
 - iv. In case e-mail ID of a Member is not registered with the Depository Participant(s)/ Company/ Kfintech, then such Member is requested to register/ update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and with Kfintech in case shares held in physical form.
28. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

29. Members to intimate change in their details:

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile no., PAN, mandates, choice of nominations, bank details viz., name of the bank and branch details, bank account, MICR code, IFSC code, etc.

- a. For shares held in electronic mode: to their DPs.
- b. For shares held in physical mode: to the Company/RTA in prescribed Form ISR-1 and other forms. [SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023]

The facility for making nomination 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. [Section 72 of the Act].

If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Kfintech's website <https://ris.kfintech.com/#>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

Declaration of Voting Results:

30. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock

the votes cast through remote e-voting and submit, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.

31. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at <http://www.suryalakshmi.com/investor-overview.aspx> and on the website of Kfintech at <https://evoting.kfintech.com/> immediately after the declaration of the result by the Chairperson or a person authorised by him in writing. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

STATEMENT ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

As required under Section 102(1) and other applicable provisions of the Companies Act, 2013, this explanatory statement contains relevant and material information, as detailed here, to enable the Members to consider for approval of the Resolutions below:

ITEM NO. 3: TO APPROVE RE-APPOINTMENT OF SRI. PARITOSH AGARWAL AS A MANAGING DIRECTOR.

Sri Paritosh Agarwal (DIN: 00008738) was re-appointed as Managing Director for a period of 5 years w.e.f. 21/06/2025 on a remuneration of Rs. 4.5 lakhs p.m. plus Commission @ 2% of Net profit or 50% annual salary whichever is lower and other perquisites. His term of appointment comes to an end on 20th June, 2025 and the Nomination and Remuneration Committee has recommended his reappointment as Managing Director for a period of 5 years at the above remuneration subject to the approval of the Members in the General Meeting.

Sri Paritosh Agarwal, aged 52, a Graduate, is the Managing Director of the Company (first appointment to the Board on 06/09/1994). He has adequate exposure in all the aspects of textile industry having acquired hands on experience in marketing, exports and production in the group Companies. He played a major role in setting up the Denim Division and building up the export business of the Company and has extensively travelled abroad and acquired deep knowledge of the International Markets.

The terms and conditions of appointment of Sri Paritosh Agarwal shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Except Sri L. N. Agarwal and Sri Paritosh Agarwal, no other Director / Key Managerial Personnel / their relatives is interested in the resolution.

Name of the other Companies in which he is a Director/ Chairman - NIL.

No. of shares held by Sri Paritosh Agarwal as on 31/03/2025 in the Company is -1971272.

The Board recommends the special resolution set out at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

ITEM NO. 4: TO APPOINT THE SECRETARIAL AUDITORS OF THE COMPANY

The Board of Directors has, based on the recommendation of the Audit Committee and subject to approval of the shareholders, appointed M/s. K V C Reddy & Associates Practicing Company Secretaries (Peer Review Certificate 2301/2022) as the Secretarial Auditors of the Company for a period of 5 consecutive years from the conclusion of the 62nd Annual General Meeting till the conclusion of the 67th Annual General Meeting of the Company to be held in Financial Year 2030 (i.e. for the Financial Year 01/04/2025 – 31/03/2026 to 01/04/2029 - 31/03/2030).

Rationale for appointment

K V C Reddy & Associates was established in the Year 2003, the firm is a Peer Review certified firm of Company Secretaries.

Sri K. V. Chalama Reddy has been associated with the Company for several years as a Secretarial Auditor and has been the scrutinizer at the Annual General Meetings of the Company and has sufficient expertise in discharging his functions.

M/s. K V C Reddy & Associates have given their consent to act as the Secretarial Auditors of the Company and have confirmed that their appointment, if made, will be within the limit specified under section 204 of the Companies Act, 2013. They have also confirmed that they are not disqualified to be appointed as secretarial auditors in terms of the provisions of the Section 204 of the Companies Act, 2013 and the Rules made thereunder, read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable Regulations.

In view of their qualifications and experience in undertaking Secretarial Audit, it is proposed to appoint M/s. K V C Reddy & Associates as Secretarial Auditors of the Company.

The remuneration payable to M/s. K V C Reddy & Associates for the financial year ending 31/03/2026 and thereafter will be as mutually agreed between Board of Directors and Secretarial Auditor.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends the ordinary resolution set out at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

ITEM NO. 5: RATIFICATION OF THE REMUNERATION OF COST AUDITOR

Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditors) Rules, 2014 provides for the appointment and the remuneration of the Cost Auditor for the audit of the cost records of the company by the Board and the ratification of the remuneration of the Cost Auditor by the members of the company. The appointment of M/s. S. Hariharan & Associates, has been approved by Board of Directors as Cost Auditor for carrying out cost audit for the year 2025-26 on a remuneration of ₹ 1,20,000/- plus out of pocket expenses. The ratification by the members to this remuneration is being sought in this resolution. The Board recommends the resolution for the approval of the members.

None of the Directors / Key Managerial Personnel / their relatives of the Company is interested in this resolution.

By Order of the Board of Directors
For SURYALAKSHMI COTTON MILLS LIMITED

Place: Secunderabad

Date: 27th May, 2025.

E. V. S. V. SARMA
COMPANY SECRETARY &
COMPLIANCE OFFICER
(M.No.- A5220)

Details of Directors seeking appointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 Secretarial Standard – 2 on General Meetings.

Name of the Director	Sri Paritosh Agarwal	Sri R. Surender Reddy
Director Identification Number	00008738	00083972
Date of Birth and Age	18/03/1973 and 52 years	10/10/1931 and 93 years
Qualification	Graduate	BA
Expertise in Specific functional areas and Brief Resume	Mr. Paritosh was actively involved in setting up the 10 million meters Denim plant at Ramtek [Maharashtra] in 1997 and at present the capacity of the plant is 40 million meters. Mr. Paritosh has vast experience in developing export business, having handled the function in the group companies also and in building up the export business for yarn and fabric segments of Suryalakshmi and in establishing a brand equity for Suryalakshmi in the export market. Has travelled extensively to all the foreign countries on business promotion visits. The Company caters to reputed brands like WalMart, Amazon, Levi's and Kontoor among others.	Sri R. Surender Reddy, aged 93 years, a well-known personality of Telangana, has wide experience in business and Politics. He was a Member of Parliament for four terms and was also Member of legislative Assembly (Andhra Pradesh) for four terms. He was also on the Board of Andhra Bank (Presently known as Union Bank of India) and A.P State Financial Corporation. He has been Chairman of Hyderabad Race Club for several years. He has expertise in Leadership and General Management, Strategic and Business Planning, Accounting and Finance; Compliance and Risk Management.
Experience	30 years	60 years
Directorships held in other companies	Nil	Listed Companies – Nil Other Companies: 1. HRC Recreation Chambers 2. Hyderabad Race club
Chairmanship /Membership of Committees held in other companies	Nil	Audit Committee: 1. Hyderabad Race Club, Chairman
Relationship with other Directors & KMP	Yes, Son of Sri L.N. Agarwal, Chairman and Managing Director of the Company	None
Number of Equity Shares held in the Company	1971272	28000
Number of Board meetings attended during last Financial Year	4	3
Terms & Conditions of Appointment or Re-appointment	As per the resolution set out at Item No. 3 of the Notice read with explanatory statement	Re-appointment upon retirement by rotation and the terms remain same as per member's approval dated 22/08/2024 for holding the position of Director of the Company
Details of Remuneration sought to be paid	As mentioned in the resolution set out at Item No. 3 of the Notice read with explanatory statement	Not Applicable
Remuneration last drawn by the Director (FY 2024-25)	Rs. 74.74 Lakhs	Sitting Fees Paid Rs. 0.23 Lakhs
Name of listed entities from which Director has resigned in the past three years	None	1. Suryalata Spinning Mills Limited 2. Surana Solar Limited 3. Lakshmi Finance & Industrial Corporation Limited 4. Bhagyanagar India Limited
Date of first appointment on the Board	06/09/1994	24/05/2024

[illegible]

[illegible]



SURYALAKSHMI COTTON MILLS LIMITED

105, 6th Floor, Surya Towers, S.P. Road

Secunderabad - 500 003

(CIN: L17120TG1962PLC000923)

Website: www.suryalakshmi.com

E-mail Id: slcmltd@suryalakshmi.com

Ph. No. (040) 27885200

