



REF.NO/DSL/PA/2024

Dated 5th August 2024

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

SCRIP CODE – 514030

Sirs,

Subject: Annual Report for the year 2023-24

Pursuant to Regulation 34 of the SEBi (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find annexed herewith the Annual Report of the Company for the year 2023-24.

The Company's Annual Report for the year 2023-24 is being sent electronically to those shareholders whose email IDs are registered with the Company / Registrar and Share Transfer Agent and the Depositories.

The Company's Annual Report for the year 2023-24 is also being uploaded to the Company's website, i.e., www.dsl-india.com.

You are requested to take the same on your record.

FOR DEEPAK SPINNERS LIMITED

(PUNEETA ARORA)
COMPANY SECRETARY

Encl. : as above.



42nd
ANNUAL REPORT
2023-24

DEEPAK SPINNERS LIMITED

Shri Pradip Kumar Daga	:	Chairman Emeritus
Board of Directors		
Shri Yashwant Kumar Daga	:	Chairman and Managing Director
Shri Shantanu Daga	:	Non-Executive Non-Independent Director
Smt. Asha Devi Daga	:	Non-Executive Non-Independent Director
Shri Pradeep Kumar Drolia	:	Non-Executive Independent Director
Shri Anand Prasad Agarwalla	:	Non-Executive Independent Director
Shri Vivek Chiraniya	:	Non-Executive Independent Director
Shri Sharad Agarwal	:	Non-Executive Independent Director

Administrative Office

Plot No. 194-195, Fourth Floor, Industrial Area, Phase II, Chandigarh – 160002.

Shri Raja Ram Kankani	:	President
Shri P. C. Sharma	:	Chief Financial Officer
Shri R. A. Sharma	:	Vice President (Purchase)
Shri M. S. Shekhawat	:	Vice President (Sales)

Baddi Works

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

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

Guna Works

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

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

Company Secretary

Smt. Puneeta Arora

Bankers

State Bank of India

Auditors

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

Registered office

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

Corporate Office

16, Hare Street, Kolkata – 700001.

Contents	Page no.
Board's Report	1
Management Discussion and Analysis Report	9
Annexures to Board's Report	12
Report on Corporate Governance	24
Independent Auditor's Report	49
Balance Sheet	62
Statement of Profit and Loss	63
Statement of Cash Flows	64
Statement of Changes in Equity	66
Notes to the Financial Statements	67

Boards' Report

Dear Shareholders,

The Board of Directors of your Company ('Board') is pleased to present their 42nd Annual Report and the Audited Financial Statements for the Financial year ended 31st March 2024.

1. Financial Results

	Rs.in Lakhs)	
	31st March 2024	31st March 2023
Profit before Depreciation & Tax	1902.47	7003.61
Less : Depreciation	1670.20	1601.42
Tax Expense		
-Current year	66.00	1350.00
-Deferred Tax	15.13	43.49
Add: Other Comprehensive Income	39.09	28.49
Total Comprehensive Income for the year	190.23	4037.19
Transfers and appropriations:		
Dividend for 2022-23 paid during the year	179.73	179.73
Proposed dividend	35.95	179.73
Balance carried forward to Reserves and Surplus	10.50	3677.73

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

2. Dividend

The Board of Directors has recommended a dividend of 5% that is, Rs. 0.50 (Rupees Fifty Paise Only) per equity share of the face value of Rs. 10/- each for approval of the members at the 42nd Annual General Meeting ("AGM") which will be subject to applicable tax in the hands of shareholders. This dividend will be paid when approved by the shareholders in accordance with law and would involve a cash outflow of Rs. 35.95 lacs.

3. General Review

This year gone by has witnessed multiple challenges including geo-political issues. Fabrics imported from China are a big threat to our domestic market. Global freight increased due to war in different countries. Export demands were subdued and the supply of goods for the domestic market was more than demand. This oversupply in the domestic market affected yarn prices adversely.

Despite ongoing challenges, we are seeing signs of recovery in yarn markets and anticipate a resurgence in demand during Financial Year 2024-25. Our efforts continue to control cost with emphasis on quality production and profitability.

Your Company's policy of undertaking modernization and upgradation regularly continues as before. During the year under review, investment on this account has been in the region of Rs. 22.91 Crores. The new 4MW solar power plant at Guna unit is under installation and is expected to be completed and commissioned in June 2024. The Solar Power Plant investment has been approximately Rs. 11 Crores during the year. Substantial savings are expected to accrue therefrom during the coming years.

We are committed to achieving manufacturing excellence through adopting new technology and de-bottlenecking our constraints. Savings from the modernization is expected to be achieved during the current year.

4. Credit Rating

The Company has got the following credit rating from M/s. ICRA Limited on 25th May 2023.

Facility	Amount (Rs. Crore)	Rating / Outlook
On Long Term Scale		
Fund Based – Cash Credit	60.00	[ICRA]A- (Stable)
Fund Based – Term Loan	8.90	
Non-Fund Based – Bank Guarantee	3.00	
Total	71.90	
On Short Term Scale		
Fund Based – Standby Line of Credit	5.00	[ICRA]A2+
Fund Based – Export Packing Credit (Interchangeable)^	(15.00)	
Fund Based – Bill Discounting (Interchangeable)^	(15.00)	
Non-Fund Based – Letter of Credit	2.00	
Non-Fund Based – Capex Letter of Credit	10.00	
Non-Fund Based – Credit Exposure Limit	1.00	
Total	18.00	

5. Internal Financial Control Systems

The Company maintains an adequate and effective Internal Financial Control System commensurate with the size, scale and nature of its operations. These are designed for safeguarding its assets, prevention and detection of frauds and errors. These internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit the timely preparation of financial statements in conformity with established accounting principles. During the year under review, the Company has not come across any incidence of fraud.

An independent audit function is an important element of the Company's internal control system. Internal Audit is conducted by independent Chartered Accountants, every quarter. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company. Based on the reports of the Internal Auditors, the respective departments undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board of Directors.

6. Statutory Auditors

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

7. Auditors' Report

The Auditors' Report to the Shareholders given by M/s. Salarpuria & Partners, Chartered Accountants, on Financial Statements of the Company for the Financial Year 2023-24 is part of the Annual Report. The Auditor's Report does not contain any reservation, qualification or adverse remark. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

8. Secretarial Audit

Pursuant to Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit was carried out by M/s. A. Arora & Co., Company Secretaries (PCS Registration No. 993) for the financial year 2022-23. The Secretarial Audit Report is annexed as '**Annexure – I**', and forms an integral part of this Report.

The Secretarial Report is self-explanatory and does not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark in the reports. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s A. Arora & Co., Company Secretaries (PCS Registration No. 993) as the Secretarial Auditors of the Company concerning the Financial year 2024-25.

The Company has received their written consent that the appointment is under the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company for the Financial year 2024-25.

9. Cost Audit

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

The Board of Directors have, on the recommendation of the Audit Committee, appointed, M/s Shakti K. & Associates, Cost Accountants (ICWAI Registration no. 11338), as Cost Auditors of the Company, to carry out cost audit of the products manufactured by the Company for the Financial year 2024-25. The Company has received their written consent that the appointment is under the applicable provisions of the Companies Act, 2013 and rules framed thereunder. They have also confirmed that they are not disqualified to be appointed as Cost Auditors of the Company for the Financial year 2024-25.

The remuneration of the Cost Auditor has been approved by the Board of Directors on the recommendation of Audit Committee. As required under the Companies Act, 2013, In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, necessary resolution is proposed for ratification for the remuneration payable to M/s. Shakti K. & Associates, Cost Auditors in the Notice convening the 42nd AGM.

10. Directors and Key Managerial Personnel (KMP)

- (a) i) The tenure of Shri Pradip Kumar Daga as 'Chairman and Managing Director' has expired on 15th April 2024. He has been appointed as 'Chairman Emeritus' by the Board of Directors with effect from 16th April 2024.
- (ii) Shri Yashwant Kumar Daga (DIN 00040632), was re-designated as 'Chairman and Managing Director' with effect from 16th April 2024.
- (iii) Pursuant to Section 152 of Companies Act, 2013 and Articles of Association of the Company, Smt. Asha Devi Daga (DIN 00048885), retires by rotation at the forthcoming AGM and being eligible, offers herself for re-appointment. The Board recommends her re-appointment. The brief resume and other details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" read with the Secretarial Standard 2 are provided in the Notice of the 42nd AGM.
- (iv) There were no other changes in Key Managerial Personnel of the Company.

(b) Statement on declarations given by Independent Directors

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

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

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

(c) Meetings of the Board of Directors

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

(d) Committees of the Board

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

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

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

(e) Board Evaluation

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

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors at their meeting held on 25th January 2024. The Directors expressed their satisfaction with the evaluation process.

11. Directors' Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended on 31st March 2024 and confirm as under –

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

12. Corporate Social Responsibility

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

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

13. Vigil Mechanism

Pursuant to Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has in place a Policy for Vigil Mechanism for reporting of concerns of any wrongful conduct concerning the Company or its business or affairs.

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

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

It is affirmed that no personnel was denied access to the Vigil Officer and the Audit Committee, and no complaints were received during the Financial Year 2023-24.

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

14. Risk Management Policy

On the recommendations of the Audit Committee, the Board of Directors has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. The Company has an efficient Risk Management framework to identify and evaluate business risks and opportunities.

The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures. The risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the quarterly financial results of the Company.

15. Nomination and Remuneration Policy

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

16. Related Party Transactions

During The Financial Year 2023-24, all contracts / arrangements / transactions entered into by your Company with Related Parties were on an arm's length pricing basis and were in the ordinary course of business and did not attract the provisions of Section 188 of the Companies Act, 2013.

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

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

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

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

17. Disclosures regarding Employees

- a) The Statement of Details of Remuneration as required under Section 197 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as '**Annexure – IV**' and forms a part of this Board's Report.
- b) The information required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of this report is given in separate annexure to this Report.

The said annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the Members at the Registered office of the Company, twenty-one days before the 42nd AGM and up to the date of the said AGM during business hours on working days.

- c) No employee, except Shri Y. K. Daga, Chairman and Managing Director by himself or along with his relatives holds 2% or more of the equity shares of the Company.
- d) The Company has not received any complaint under 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, during the year. The Company is compliant of all the provisions relating to the constitution of an Internal Complaint Committee under the said Act and rules thereunder.

18. Public Deposits

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

19. Loans, Guarantees and Investments

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

20. Management Discussion and Analysis Report

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

21. Corporate Governance

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

22. Annual Return

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

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

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

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

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

25. Material Changes and Commitments

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

26. Compliance with Secretarial Standards

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

27. Acknowledgement

We thank our customers, vendors, Bankers, stakeholders, business associates, Central and State Governments and district-level authorities for their continued support. We are pleased to record our appreciation of the cooperation and support extended by every employee and workman of the Company.

On **behalf of the Board of Directors**

Yashwant Kumar Daga

Chairman and Managing Director
(DIN - 00040632)

Place : Chandigarh
Date : 29.05.2024

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

India's textile sector is one of the oldest industries in the Indian economy, dating back several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

As of date, India produces all types of Man-Made Fibers (MMFs). India produces fibre, yarn, fabrics, made-ups, and home textiles. The MMF fabrics hold a majority share in the segment exports, followed by made-ups and yarn. India is completely self-dependent across the value chain, from raw materials to garments.

In the Financial Year 2023-24, textile exports experienced a setback for the second consecutive year. The decline can be attributed to geopolitical tensions casting a shadow on the global economy.

OPPORTUNITY AND THREATS

Globally, the textile trade is dominated by MMF. For India to increase its share in the global textile trade, it will have to increase its competitiveness in the MMF value chain, in terms of price as well as diversification in products. India's self-sufficiency in raw materials across the entire value chain and manufacturing capacity are factors favouring India over other countries. India has a large indigenous raw material base. Due to the large working population, human resource availability is an advantage for the MMF industry.

India has recently signed several trade agreements including India - UAE CEPA (Comprehensive Economic Partnership Agreement), and India - Australia ECTA (Economic Cooperation and Trade Agreement). The upcoming India-EFTA (European Free Trade Association Agreement), will further catalyze the growth of the Indian Textile Industry, especially in terms of critical inputs, technology, and product development opportunities. The EFTA members which include Iceland, Liechtenstein, Norway, and Switzerland is an important trade bloc for the Indian Textile Industry,

The rapid deterioration of the global economic outlook following the Russia -Ukraine war and mass lay-offs of employees by global corporations, has severely impacted demand and margins. Lack of modern technical know-how, non-availability of skilled manpower near factories, volatile raw material prices, infrastructure bottlenecks, are other factors that may pose a threat to progress of MMF industry.

However, through enhancing export competitiveness, attaining manufacturing excellence, and strengthening the textile value chain, the sector can improve its profitability. Emphasis on automation and digitalisation to improve processes and efficiency levels, bringing a strong focus on people and skill development, leveraging Free Trade Agreements (FTAs) to tap new markets, and adopting global best practices for manufacturing excellence can lead to the advancement of this sector.

SEGMENTAL REVIEW AND ANALYSIS

The Company has continued its policy of undertaking modernization and upgradation despite several challenges including geo-political issues. During the year, Rs. 22.91 Crores were spent on modernization and upgradation. The new 4MW solar power plant at Guna unit is under installation and is expected to be completed and commissioned in June 2024. The Solar Power Plant investment has been approximately Rs. 11 Crores during the year. Substantial savings are expected to accrue therefrom during the coming years.

We are committed to achieving manufacturing excellence through adopting new technology and de-bottlenecking our constraints. Savings from the modernization are expected to be achieved during the current year.

Fabrics imported from China are a big threat to our domestic market. Global freight increased due to war in different countries. Export demands were subdued and the supply of goods for the domestic market was more than demand. This oversupply in the domestic market affected yarn prices adversely.

Your Company is optimistic and is evaluating all possible avenues to maintain profitability. The efforts to keep costs under control continue with an emphasis on improved productivity and profitability

OUTLOOK

The demand for MMFs will be further boosted by factors like evolving consumer trends, including a growing focus on fitness and hygiene, rising brand consciousness, rapidly changing fashion trends, and increasing women's participation in the workforce. These trends will work positively for the Indian synthetic and MMF textiles industry.

MMFs have many other important uses. The most important among them is in the industrial applications such as tyres used in automobiles, advertisement boards, tarpaulins, ropes & threads, airbags in automobiles, and many others. Another major area where MMFs are widely used today is in home textiles such as bed sheets, curtains, upholsteries, and many others, due to the cost-effective nature of these products. Furthermore, sanitary pads and diapers are also another major area where MMFs are extensively used as raw materials.

RISKS AND CONCERNS

The Indian MMF industry faces several key challenges, particularly in the realms of technology and global competition. These challenges are technology upgradation and innovation, global competition, supply chain and infrastructure issues, environmental concerns and sustainability, skilled workforce, market diversification, and policy and regulatory framework.

Addressing these challenges requires a concerted effort from both the industry and the government. This could involve investment in technology, enhancing skill development, improving infrastructure, focusing on sustainability, and creating favourable policy frameworks to support the growth and global competitiveness of the Indian MMF industry.

Rising import of MMF fabrics and relatively higher domestic prices of MMF fibres are severely impacting Indian businesses. It is not just imports but under-invoicing of imported fabrics is also a major issue. Global freight increased and demand for export of finished goods decreased due to geopolitical disturbances.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company's internal control systems and procedures are commensurate with the size and nature of its operations. The Company has an adequate system of Internal Controls to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use and the transactions are authorized, recorded and reported correctly. Financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The management periodically reviews the internal control systems and procedures for efficient conduct of the Company's business. Internal Audit is conducted by independent Chartered Accountants, every quarter. To maintain its objectivity and independence, the Internal Auditors report directly to the Audit Committee of the Board. The Audit Committee reviews the Internal Audit Reports and effectiveness of the Internal Control Systems. If required, corrective actions are taken and the controls are strengthened.

FINANCIAL PERFORMANCE

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

Ratios	F.Y. 2023-24	F.Y. 2022-23	Change (%)
Debtors Turnover Ratio	16.41	17.87	-1.46
Inventory Turnover Ratio	4.71	6.25	-1.54
Interest Coverage Ratio	5.78	25.32	-19.54
Current Ratio	1.53	1.61	-0.08
Debt Equity Ratio	0.18	0.21	-0.03
Operating Profit Margin (%)	1.27	10.14	-8.87
Net Profit Margin (%)	0.44	9.62	-9.18
Return on Net Worth (%)	0.55	17.05	-16.50

HUMAN RESOURCES

The employees on roll in the Company as on 31st March 2024 were 3127 (3093 as on 31st March 2023). Relations with the employees were cordial throughout the year. The Company provides to its employees' favourable work environment conducive to good performance with customer focus while adhering to quality and integrity.

CAUTIONARY STATEMENT

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

Form No. MR-3**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
The Members,
Deepak Spinners Limited,
121 Industrial Area, Baddi,
Teh Nalagarh, Distt Solan,
Himachal Pradesh.

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable to the company during the financial year under review.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.

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

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited;

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

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year were carried out in compliance with the applicable Act and Regulations.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

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

1. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
2. Based on the examination of the relevant documents and records on test check basis the company has Complied with the following laws specifically applicable to the company:
 - a. The Indian Electricity Act, 2003 and Indian Electricity Rules, 2005.
 - b. The Boilers Act, 1923

I further report that during the audit period pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has transferred 3,27,601 equity shares to the Investor Education and Protection Fund.

I further report that, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity
- (ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

For A. Arora & Co.

(Company Secretary in whole time practice)

AJAY K. ARORA

Proprietor

FCS: . 2191, CP 993

Peer view registration: 2120/2022

UDIN: F002191F000491449

Place: Chandigarh

Date: 29.05.2024

Annual Report on Corporate Social Responsibility (CSR) Activities

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

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

- 2. The Composition of the CSR Committee:**

Sr. No.	Name of the Member	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1.	Shri Yashwant Kumar Daga	Chairman / Executive Non-Independent Director	2	2
2.	Shri Anand Prasad Agarwalla	Member / Non-Executive Independent Director	2	2
3.	Shri Vivek Chiraniya	Member / Non-Executive Independent Director	2	2

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

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

Composition of CSR Committee –

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

CSR Projects -

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

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

- 5.**

a)	Average net profit of the Company as per sub-section (5) of Section 135	Rs. 4289.24 Lakhs
b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs. 85.78 Lakhs
c)	Surplus arising out of the CSR Projects or programmes or activities of previous financial years.	Nil
d)	Amount Required to be set off for financial year, if any	Rs. 8.64 Lakhs
e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	Rs. 77.14 Lakhs

6.

a)	Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)	Rs. 81.00 Lakhs
b)	Amount spent in Administrative Overheads	Nil
c)	Amount spent on Impact Assessment, if applicable	Not Applicable
d)	Total amount spent or unspent for the Financial Year	Rs. 81.00 Lakhs
e) CSR amount spent or unspent for the Financial Year		
Total Amount spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)	
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section(5) of section 135
81.00	Not Applicable	

f) Excess amount for set off, if any -		
Sr. No.	Particular	Amount (Rs. in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section(5) of section 135	77.14*
(ii)	Total amount spent for the Financial Year	81.00
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	3.86
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii) – (iv)]	3.86

*Net of excess contribution from previous years' set off in the current year

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(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (Rs. In Lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (Rs. In Lakhs)	Amount spent in the Financial Year (Rs. In Lakhs)	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 (Rs. In Lakhs)	Deficiency, if any
					Amount (Rs in Lakhs)	Date of transfer		
1.	FY-1	Nil	Nil	Nil	Not Applicable			
2.	FY-2	28.58	28.58	28.58				
3.	FY-3	Nil	Nil	Nil				

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

9. Specify reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135 of the Act - Not Applicable.

Yashwant Kumar Daga

(Chairman and Managing Director)

And (Chairman CSR Committee)

(DIN 00040632)

Anand Prasad Agarwalla

(Member CSR Committee)

(DIN 00312652)

Date : 29.05.2024

Place : Kolkata

EXTRACT FROM NOMINATION AND REMUNERATION POLICY

Objective and Purpose of the Policy:

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

Applicability:

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

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

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

The Committee shall:

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

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

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

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

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

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

- i) The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year 2023-24.**

Sr. No.	Name of Director	Remuneration of Directors for financial year 2023-24 (Rs. In Lakhs)	Ratio of remuneration of each Director to median remuneration of employees
	EXECUTIVE DIRECTORS		
1.	Shri Pradip Kumar Daga,	163.03	115.87
2.	Shri Yashwant Kumar Daga,	Nil	Nil
	NON-EXECUTIVE DIRECTORS		
3.	Shri Shantanu Daga,	25.04	17.80
4.	Smt. Asha Devi Daga	2.82	2.00
5.	Shri Pradeep Kumar Drolia	3.94	2.80
6..	Shri Anand Prasad Agarwalla	4.14	2.94
7.	Shri Vivek Chiraniya	3.35	2.55
8.	Shri Sharad Agarwal (w.e.f. 15.04.2023)	2.63	1.87

- ii) Directors** - The Board of Directors in its meeting held on 8th August 2023, raised the sitting fee to Rs. 22,000/- per meeting for attending meetings of the Board and Rs. 12,500/- per meeting for attending the meetings of the Committees of the Board of Directors.

iii) Key Managerial Personnel

The percentage increase in remuneration of Shri Pradip Kumar Daga, Chairman and Managing Director as on 31.03.2024 as compared to remuneration received by him during the year ended 31.03.2023 was about 18.15%.

Shri Yashwant Kumar Daga, Vice Chairman and Joint Managing Director as on 31.03.2024 does not receive any remuneration from the Company.

The percentage increase in remuneration of Smt. Puneeta Arora, Company Secretary was about 12.07%. The percentage increase in remuneration of Shri P. C. Sharma, Chief Financial Officer was about 10.29%.

- iv)** There was an increase of 7.03% in the median remuneration of employees in the financial year 2023-24.
- v)** There were 3127 permanent employees on the roll of the Company as on 31.03.2024.
- vi)** The average salary increase of employees other than Key Managerial Personnel in the last financial year, i.e. 2023-24 was about 2.48%. The average increase in the remuneration of Key Managerial Personnel was about 13.50%. The increase in remuneration was in line with the industry benchmark and cost of living index. There are, no exceptional circumstances for an increase in managerial remuneration.
- vii)** It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**1. CONSERVATION OF ENERGY****a) Steps taken or impact on conservation of energy –****i) Baddi Works**

1. Replacement of 52 LED Bulbs in place of CFL Lamps to save Electrical Energy.
2. Electrical Energy saved after efficiently operating the Humidification Plant by synchronizing the speed of fans and pumps as per requirement during the winter season every year. Total 9,56,016 Units saved yearly.
3. We have discontinued using tube lights in the packing area during the night because there is no packing work carried out at night leading to savings in electricity consumption.
4. We have reduced the Water consumption in the Dyeing Process.
5. We have replaced the Old M.S. Ducting of the Boiler with New M.S. Ducting along with thermal Insulation Work and saved the Electrical Energy i.e. 25344 Units Per Year.
6. Heat Energy saved after installing the Petcoke Ash Recovery System and saved 602.64 MT Pet coke Yearly.
7. We have saved 70416 units yearly by arresting air leakage regularly and replacing the defective splicer valves, PU pipes, Solenoid Valves & Air filters etc. in the Blow Room, Carding, Ring Frame & Autoconer machines which were consuming highly compressed air.
8. Replaced less productive old machines G5/1 with highly productive and efficient machines such as Ring Frame LR9 SX with Auto Doffer 07 Nos (Unit No.1) during April 2023 - September 2023 under the Modernization Project.
9. Converted one LRSB Machine in Unit No.4 from the Mitsubishi System to the B&R System for better quality in March 2024.

ii) Guna Works

1. We have installed invertors in our Return Air Fan and Supply Air Fan of the Ring Frame H-plant of the G2 unit and saved an annual electrical energy total of approximately 3.81 Lakh units.
2. By efficiently operating the humidification plant as per requirement during the winter season, we have saved approximately 6.0 Lakh units yearly. We have reduced our humidification plant unit consumption.
3. By optimizing the speed of the beater in the blow room area and bypassing the beater we are saving approximately 2 Lakh units per year.
4. We have removed 100 Nos Tube light from the non-working area inside the plant, saving 15000 units per year.
5. Electrical energy saved approximately 1 lakh units/year by attending to the air leakage and splicer valve, polyurethane pipe in autoconer machine which consumes higher compressed air.

6. We have changed Waste Collection System motor pulley for the carding section by reducing suction pressure and saving approximately 10000 units/year.

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

1. Baddi Works

1. Thermal insulation work was carried out in the Steam Pipelines to save Heat Energy.
2. Using the Acrylic sunlight sheet in godowns during the daytime as an alternate source of lighting.

2. Guna Works

1. Commissioning work for the 4 MW Solar Energy Plant is under process. It will generate approximately 5 lakh units each month for in-house requirements, from July 2024 onwards.
2. We have made an underground water tank with a capacity of about 177 Kilo Litres, near fibre go-down to save the rainwater from the rooftop which will be used for watering the garden and cleaning purposes.

c) The Capital investment on energy conservation equipment- Nil

2. TECHNOLOGY ABSORPTION

a) Efforts made towards technology absorption –

The Company is committed to adopt new technology from time to time to improve the working efficiency of the plant. We have replaced our old machines by following new machines-

- Ring frame Lr9/sx, Draw frame LDF3, Draw frame LDB3, Carding LC361,
- TFO VJ-190 MN, Waste collection plant.
- We replaced our old Autoconer 338 with a new Autoconer machine imported from Savio Proxima-L, Italy for better production & quality. The reason being there was more air leakage and energy consumption in the old Autoconer 338 machine.

b) Benefits derived like product improvement, cost reduction, product development or import substitution –

After installation of these machines, our yarn quality parameters have improved besides increase in production and reduction in energy consumption.

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

i)	The details of the technology imported	1 no. Autoconer Machines from Savio Proxima-L, Italy	4 no. Autoconer Machines from Saurer Schlafhorst Germany	2 no. Autoconer Machines from Saurer Schlafhorst Germany	Nil
ii)	The year of import	2023-2024	2022-23	2021-22	2020-21
iii)	Whether the technology has been fully absorbed	Yes	Yes	Yes	N.A.
iv)	If not fully absorbed, areas where absorption has not taken place and the reasons thereof	N.A.	N.A.	N.A.	N. A.

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	(Rs. In Lakhs)
Foreign Exchange earned (inflow)	5870.02
Foreign Exchange used (outflow)	119.63

THE REPORT ON CORPORATE GOVERNANCE

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

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

We are committed to adopting and implementing the best Corporate Governance practices that are self-driven to bring about transparency and maximize shareholders' value. The Company's core philosophy on the code of Corporate Governance is to ensure fair and transparent business practices, accountability for performance and compliance with applicable statutes.

2) BOARD OF DIRECTORS

a) Composition of Board of Directors

As on 31st March 2024, in compliance with the Listing Regulations, the Company's Board of Directors headed by Executive Chairman, Shri Pradip Kumar Daga, comprised 7 other Directors, out of which 4 are Independent Non-executive Directors. In compliance with Listing Regulations, during the year 50% of the total number of Directors have been Independent Directors.

The tenure of Shri Pradip Kumar Daga as Chairman and Managing Director ended with effect from 16th April 2024. He being aged above 75 years, as per Regulation 17(1A) read with Regulation 17(1C) of Listing Regulations, prior consent of members of the Company by way of special resolution for continuation of his directorship as Non-Executive Director was sought by Postal Ballot which ended on 6th April 2024. However, since this special resolution was rejected by the shareholders, Shri Pradip Kumar Daga ceased to be the Director of the Company with effect from 16th April 2024.

Under Article 110(3) of the Articles of Association of the Company, Shri Pradip Kumar Daga was appointed Chairman Emeritus with effect from 16th April 2024 by the Board of Directors in their meeting held on 9th February 2024.

Shri Yashwant Kumar Daga was re-designated as Chairman and Managing Director with effect from 16th April 2024 vide a special resolution passed by Postal Ballot which ended on 6th April 2024.

The information about composition and attendance of the Board of Directors in Board Meetings and the last Annual General Meeting, outside Directorships and other Memberships of Board Committees as on 31st March 2024 as applicable is given hereunder –

Director	DIN	Category	No. of Board Meetings attended	Attendance at the last AGM on 12.07.2023	*Number of Directorships in other Indian Public Companies	**Committee(s) positions in other Companies		Names of Other Listed Companies where Directorship held and kind of Directorship
						As Member	As Chairman	
Shri Pradip Kumar Daga (Chairman and Managing Director)	00040692	Promoter/ Executive	6	Yes	1	1	--	1. Longview Tea Co. Ltd (Promoter/Non-Executive)
Shri Yashwant Kumar Daga (Vice Chairman and Joint Managing Director)	00040632	Promoter / Executive	6	Yes	5	7	1	1. HGI Industries Ltd (Non-Executive / Independent Director) 2. Mint Investments Ltd (Non-Executive / Independent Director) 3. Deepak Industries Ltd (Whole Time Director) 4. Longview Tea Co. Ltd. (Promoter/Non-Executive) 5. Magadh Sugar & Energy Ltd. (Non-Executive / Independent Director)
Shri Shantanu Daga	08757724	Promoter/ Non-Executive	6	No	--	--	---	---
Shri Pradeep Kumar Drolia	00291966	Non-Executive Independent	6	Yes	1	--	---	1. Indo Eco (India) Ltd (Non-Executive / Independent Director)
Shri Anand Prasad Agarwalla	00312652	Non-Executive Independent	6	Yes	1	1	1	Deepak Industries Ltd (Non-Executive Independent Director)
Smt. Asha Devi Daga	00048885	Promoter/ Non-Executive	5	No	--	--	--	--
Shri Vivek Chiraniya	00166690	Non-Executive Independent	6	Yes	--	--	---	---
Shri Sharad Agarwal (with effect from 15.04.2023)	06490590	Non-Executive Independent	5	No	--	--	---	---

*Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.
** Committee positions only of the Audit Committee and Stakeholders Relationship Committee have been considered.

None of the Directors of the Company serves as Director in more than seven listed companies and none of the Independent Directors is serving as Whole Time Director in any listed Company. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. Membership of the Directors in various committees is within the permissible limits of the Listing Regulations. None of the Directors of the Company was a member of more than ten Board level Committees, or a Chairperson of more than five such Committees across all listed companies, in which he/she was a Director. Further, the Chairman and Managing Director does not serve as Independent Director in any listed company. The Vice Chairman and Joint Managing Director is serving as Independent Director in only three listed companies

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

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

b) Familiarisation Programmes for Independent Directors

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

c) Relationships of Directors inter se as on 31st March 2024

- i) Shri Yashwant Kumar Daga, Executive Director is son of Shri Pradip Kumar Daga, Executive Director and Smt. Asha Devi Daga, Non-Executive Director and father of Shri Shantanu Daga, Non-Executive Director.
- ii) Shri Pradip Kumar Daga, Executive Director and Smt. Asha Devi Daga, Non-Executive Director are related to each other as husband and wife.
- iii) Shri Shantanu Daga, Non-Executive Director is son of Shri Yashwant Kumar Daga, Executive Director and is related to Shri Pradip Kumar Daga, Executive Director and Smt. Asha Devi Daga, Non-Executive Director by virtue of being a co-parcener in Pradip Kumar Daga HUF.
- iv) No other Directors are related to each other.

d) Shareholdings of Non Executive Directors in the Company as on 31st March 2024:-

Non-Executive Directors	No of ordinary shares @Rs.10/-
Smt. Asha Devi Daga	428
Shri Shantanu Daga	29,615
Shri Anand Prasad Agarwalla (As joint holder with his wife)	100

The Company does not have any Stock Option Scheme.

e) Board Meetings held during the year

During the financial year ended 31st March 2024, six meetings of the Board of Directors were held on –

- (i) 15th April 2023, (ii) 24th May 2023, (iii) 8th August 2023 (iv) 15th September 2023, (v) 9th November 2023 and (vi) 9th February 2024

The maximum gap between any two consecutive Board Meetings was less than 120 days. Requisite quorum was present for all the Board meetings. The dates for the Board Meetings are decided well in advance and communicated to the Directors. The meetings and agenda items taken up during the meetings complied with the requirements of the Companies Act, 2013 (Act) and Listing Regulations read with various circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

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

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

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

f) Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel of the Company, which is available on the Company's website. The Company has received confirmations from the Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. The declaration by Shri Yashwant Kumar Daga, Chairman and Managing Director (w.e.f. 16.04.2024) of the Company in this regard is given as '**Annexure A**' to this report

g) Independent Directors' Meeting

Pursuant to the Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations,

a separate meeting of the Independent Directors was held on 25th January 2024 through Video conferencing without the attendance of non-independent Directors and members of the management. All Independent Directors attended the said meetings and Shri Pradeep Kumar Drolia chaired the meeting.

h) Skills / expertise /competencies of the Board

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

- 1. Leadership :** Effective management of business operations, ability to guide on complex business decisions, anticipate changes, setting priorities, aligning resources towards achieving goals and protecting and enhancing stakeholders value.
- 2. Governance :** Ensuring adherence to the Corporate Governance Principles, protecting and enhancing stakeholders’ value.
- 3. Strategy planning :** Good business instincts and acumen, ability to get to the crux of the issue, ability to provide guidance and active participation in complex decision making, set priorities and focus energy and resources towards achieving goals.
- 4. Financial Management :** In depth understanding of financial statements, financial controls, proficiency in financial management and reporting process, expertise in dealing with complex financial transactions.
- 5. Legal Expertise :** Having good legal knowledge and expertise in corporate law matters and other regulatory aspects.
- 6. Technical acumen :** Sound technical acumen, ability to anticipate technological trends, create advanced business models.
- 7. Risk Management :** In depth knowledge and expertise of risk management, risk framework, adequacy and efficiency of control, mitigation of risks, etc. in respect of business of the Company.
- 8. Sales and Marketing :** Experience in sales and marketing, provide guidance in developing strategies for increasing sales, enhancing brand value and customer satisfaction, etc.
- 9. Human Resource Development :** Having knowledge and expertise in the areas of Human Resource Development, benchmarking with the best human resource practices adopted in the Industry , ensuring safety, well being of employees etc.

As on 31.3.2024, Directors who possess aforesaid core skills / expertise / competence is given as under:-

Name of Directors	Leadership	Governance	Strategy Planning	Financial Management	Legal Expertise	Technical Acumen	Risk Management	Sale and Marketing	Human Resource Development
Sh. Pradip Kumar Daga	√	√	√	√		√	√	√	√
Sh. Yashwant Kumar Daga	√	√	√	√		√	√	√	√

Name of Directors	Leadership	Governance	Strategy Planning	Financial Management	Legal Expertise	Technical Acumen	Risk Management	Sale and Marketing	Human Resource Development
Sh. Shantanu Daga	√	√	√	√		√	√	√	√
Sh. Pradeep Kumar Drolia	√	√	√	√	√		√	√	√
Sh. Anand Prasad Agarwalla	√	√	√	√	√		√		
Smt Asha Devi Daga	√	√	√						√
Shri Vivek Chiraniya	√	√	√	√	√		√	√	√
Shri Sharad Agarwal	√	√	√	√	√		√	√	√

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

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

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

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

3) AUDIT COMMITTEE

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

The Audit Committee comprises of three Non-Executive Directors namely Shri Pradeep Kumar Drolia, Chairperson, Shri Anand Prasad Agarwalla and Shri Vivek Chiraniya as members. Shri Yashwant Kumar Daga, an Executive Director is also a member of the Audit Committee. The Members have adequate knowledge of accounts and financial matters. Shri Pradeep Kumar Drolia has accounting and related financial management expertise. Smt. Puneeta Arora, Company Secretary is Secretary to the Committee.

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

The role of Audit Committee includes –

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

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

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

- (i) 24th May 2023, (ii) 8th August 2023, (iii) 9th November 2023, and (iv) 9th February 2024.

The maximum gap between any two consecutive meetings was less than 120 days. The Composition of the Audit Committee as at 31st March 2024 and the details of Members’ participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Pradeep Kumar Drolia	Chairperson	Non-Executive Independent	4
Shri Yashwant Kumar Daga	Member	Executive Non-Independent	4
Shri Anand Prasad Agarwalla	Member	Non-Executive Independent	4
Shri Vivek Chiraniya	Member	Non-Executive Independent	4

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

4) NOMINATION AND REMUNERATION COMMITTEE

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

Companies Act, 2013. The role includes –

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

Shri Anand Prasad Agarwalla is Chairperson of the Nomination and Remuneration Committee. Necessary quorum was present for the meetings of the Committee.

During the year, the Committee met four times on –

(i) 15th April 2023, (ii) 2nd May 2023, (iii) 15th September 2023, and (iv) 9th February 2024

The Composition of the Nomination and Remuneration Committee as at 31st March 2024 and the details of Members’ participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Anand Prasad Agarwalla	Chairperson	Non-Executive Independent	4
Shri Pradeep Kumar Drolia	Member	Non-Executive Independent	4
Shri Vivek Chiraniya	Member	Non-Executive Independent	4

Particulars of remuneration paid/ payable to Directors during the financial year 2023-24:-

Amount in Rs.

Name of the Director	Salary	Perquisites/ LTA	Company’s Contribution to Provident Fund	Commission (for FY 2023-24 payable in FY 2024-25)**	Sitting fees paid during the year*	Leave encashment and gratuity	Total (Rs.)
Sh.P.K.Daga (Chairman and Managing Director)	1,45,20,000	40,300	17,42,400	--	--	--	1,63,02,700
Sh.Yashwant Kumar Daga (Vice-Chairman and Joint Managing Director)	--	--	--	--	--	--	--

Name of the Director	Salary	Perquisites/ LTA	Company's Contribution to Provident Fund	Commission (for FY 2023-24 payable in FY 2024-25)**	Sitting fees paid during the year*	Leave encashment and gratuity	Total (Rs.)
Sh. Shantanu Daga (Whole Time Director till 12.7.2023 and Non-Executive Director w.e.f. 13.07.2023)	15,01,832	5,01,411	1,80,220	1,26,140	1,03,000	91,238	25,03,841
Sh.Pradeep Kumar Drolia	--	--	--	1,78,390	2,15,500	--	3,93,890
Sh. Anand Prasad Agarwalla	--	--	--	1,78,390	2,35,500	--	4,13,890
Smt.Asha Devi Daga	--	--	--	1,78,390	1,03,000	--	2,81,390
Shri Vivek Chiraniya	--	--	--	1,78,390	2,23,000	--	4,01,390
Shri Sharad Agarwal	--	--	--	1,60,300	1,03,000	--	2,63,300

* Sitting fees for attending meetings of the Board and /or Committee thereof. The Company paid sitting fees of Rs. 15,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and Rs. 7,500/- per meeting for attending the meetings of the Committees of the Board. The Board of Directors in its meeting held on 8th August 2023, raised the sitting fee to Rs. 22,000/- per meeting for attending meetings of the Board and Rs. 12,500/- per meeting for attending the meetings of the Committees of the Board of Directors.

** Commission to Non-Executive Directors including Independent Directors shall be paid after the annual accounts are approved by the shareholders at the forthcoming Annual General Meeting. Shareholders had approved in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board or Committees thereof, payment of Commission to Non-Executive Directors up to 1% of Net Profits in the Annual General Meeting held on 12th September 2019.

Directors' Commission amount is exclusive of applicable Goods and Services Tax (GST) which shall be borne by the Company.

The Company does not have any stock option scheme.

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

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

Performance Evaluation Criteria

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board, its Committees and the Directors was undertaken which included the evaluation of the

Board as a whole, Board Committees and individual Directors. The criteria for performance evaluation covers the areas relevant to the functioning of the Board and Board Committees such as its composition and operations, Board as whole and group dynamics, effectiveness, performance, etc. The performance of individual Directors was evaluated on the parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness.

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

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

5) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

During the financial year ended 31st March 2024, 1 complaint was received and was satisfactorily disposed of. As on 31.03.2024, the pendency of complaints was Nil.

During the year, the Committee met once as on 8th November 2023. The Composition of the Stakeholders Relationship Committee as at 31st March 2024 and the details of Members' participation at the meetings of the Committee are as under:-

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

Necessary quorum was present for the meeting of the Committee.

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

During the year, the Committee meeting was held on – (i) 24th May 2023 and (ii) 5th February 2024. The composition of the Corporate Social Responsibility Committee as at 31st March 2024 and the details of Members' participation at the meetings of the Committee are as under:-

Name of the Member	Status	Category	No. of Meetings attended
Shri Yashwant Kumar Daga	Chairperson	Executive Non-Independent	2
Shri Anand Prasad Agarwalla	Member	Non-Executive Independent	2
Shri Vivek Chiraniya	Member	Non-Executive Independent	2

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

7) GENERAL BODY MEETINGS.

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

Particulars	Location	Date	Time	Special Resolutions passed
39 th AGM	Conducted through video conferencing, deemed venue of which was 121, Industrial Area, Baddi, Tehsil Nalagarh, dist-Solan, Pin-173205 (H.P.)	23.09.2021	12.00 noon	1. To appoint Shri Shantanu Daga as Whole Time Director. 2. To keep registers under Section 88 of the Companies Act, 2013 at a place other than at Registered Office of the Company.
40 th AGM		30.06.2022	2.30 p.m.	No Special Resolution was passed in this meeting.
41 st AGM		12.07.2023	4.00 p.m.	Appointment of Shri Sharad Agarwal as Independent Director.

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

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

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

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

No Extra Ordinary General Meeting was held during the year.

c) Postal Ballot

- i) During the year under review, the Company sought approval of the shareholders by way of postal ballot only through remote e-voting process, vide Notice dated 9th February 2024 on the following resolutions –

Sr. No.	Type of Resolution	Description of Resolution
1.	Special Resolution	Continuation of directorship of Shri Pradip Kumar Daga (DIN – 00040692) as Non-Executive Non-Independent Director.
2.	Special Resolution	Re-designation of Shri Yashwant Kumar Daga (DIN – 00040632) as Chairman and Managing Director.

The special resolution number 1 pertaining to continuation of directorship of Shri Pradip Kumar Daga as Non-Executive Non-Independent Director, could not be passed due to a lack of requisite votes in its favour. The details of e-voting on the abovementioned resolutions are provided hereunder -

Particulars	Votes Cast in Favour			Votes Cast Against		
	No. of Members	No. of shares/ Votes	%ge	No. of Members	No. of shares/ Votes	%ge
Special Resolution - Continuation of directorship of Shri Pradip Kumar Daga (DIN – 00040692) as Non-Executive Non-Independent Director.	30	177898	5.60%	8	2998871	94.40%
Special Resolution - Re-designation of Shri Yashwant Kumar Daga (DIN – 00040632) as Chairman and Managing Director.	33	3004222	94.57%	5	172547	5.43%

- ii) The Board of Directors had appointed Shri Ajay K.Arora (Membership No. FCS 2191 and Certificate of Practice No. 993) as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- iii) The remote e-voting period commenced from 9.00 a.m. (IST) on Friday, 8th March 2024 and ended at 5.00 p.m. (IST) on Saturday, 6th April, 2024. The consolidated report on the result of the postal ballot through remote e-voting process was provided by the Scrutinizer on Monday, 8th April 2024.

iv) Procedure for Postal Ballot-

The Postal Ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any of the Act including any statutory modification(s) or re-enactment(s) thereof for the time being in force read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'), Secretarial Standard of General Meetings (SS-2) to the extent applicable, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs vide its General Circular nos. 14/2020

dated 8th April 2020, General Circular No. 17/2020 dated 13th April 2020, General Circular No. 22/2020 dated 15th June 2020, General Circular no. 33/2020 dated 28th September 2020, General Circular no. 39/2020 dated 31st December 2020, General Circular No. 10/2021 dated 23rd June 2021, General Circular No. 20/2021 dated 8th December 2021 and latest one being General Circular No. 9/2023 dated 25th September 2023.

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

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

8) MEANS OF COMMUNICATION

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

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

9) GENERAL SHAREHOLDER INFORMATION –

Annual General Meeting	:	
Day, Date and Time	:	Friday, 30 th August 2024 at 3.30 p.m.
Venue	:	The Company is conducting Annual General Meeting through Video Conferencing ('VC') /Other Audio Visual Means ('OAVM') The deemed venue for the meeting is the Registered Office of the Company, that is, 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh – 173205.)
Dates of Book closure	:	From Saturday, 24 th August 2024 to Friday, 30 th August 2024 (both days inclusive)
Cut-off Date	:	Friday, 23 rd August 2024
Dividend Payment Date	:	Dividend on Equity Shares shall be made payable from 10 th September 2024 onwards, once approved by shareholders in the Annual General Meeting. As per SEBI circulars, with effect from 01.04.2024, dividend to the shareholders holding shares in physical mode shall be paid only through electronic mode and that too only after updating their KYC details in their folios.
Financial Year	:	1 st April to 31 st March

Financial Calendar 2023-24 : (Tentative)

First Quarter Results	First or second week of August 2024
Second Quarter Results	First or second week of November 2024
Third Quarter Results	First or second week of February 2025
Annual Results	Second week onwards of May 2025

Listing on Stock Exchange :

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

Annual listing fee for the year 2024-25 has been paid to the Stock Exchange.

Market Price Data

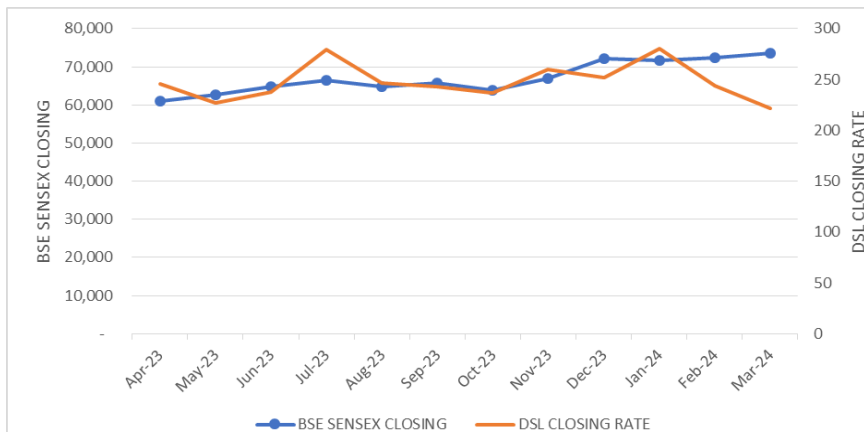
The details of monthly highest and lowest closing quotations of the equity shares of the Company during financial year 2023-24 are as under :-

(In Rs. per Share)

Month	BSE Limited		Month	BSE Limited	
	High	Low		High	Low
April 2023	252.00	223.00	October 2023	255.00	221.00
May 2023	260.10	225.00	November 2023	266.00	226.40
June 2023	250.00	226.05	December 2023	279.00	246.40
July 2023	308.00	230.00	January 2024	320.00	250.00
August 2023	290.00	232.05	February 2024	290.00	241.10
September 2023	259.80	240.00	March 2024	252.95	202.00

(Source : www.bseindia.com)

Performance in comparison to broad based indices – Deepak Spinners Limited Versus BSE Sensex



Suspension from trading

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

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

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

E-mail – mdpldc@yahoo.com

Website – <https://mdpl.in>

Share Transfer System

The Board has delegated the authority for approving transfer, transmission, dematerialization of shares, etc., to Share Transfer Committee / Company Secretary & Compliance Officer. The Company obtains an annual Certificate from Practising Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchange and available on the website of the Company.

In terms of Regulation 40 (1) of the Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Further, as per SEBI Circular dated 25th January 2022, listed companies shall issue securities in demat mode only while processing any investor service requests, viz, issue of duplicate share certificates, exchange / sub-division / splitting / consolidation of securities, transmission / transposition of securities. Vide its Circular dated 25th January 2022, SEBI has clarified that listed entities / RTA shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request, based on which the shareholder can raise a demat request with his depository participant, to receive shares in demat form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Pattern of Shareholding as on 31.03.2024.

Sr. No.	Category	No. of Shares	% of Paid up Share Capital
1.	Promoters	32,87,372	45.72
2.	Mutual Funds and Insurance Companies	700	0.01
3.	Financial Institutions and Banks	320	0.01
4.	Bodies Corporates	5,44,388	7.57
5.	Investor Education and Protection Fund Authority	3,27,601	4.56
6.	HUF	2,21,102	3.07
7.	NRIs and OCBs	82,383	1.15
8.	Foreign Nationals	700	0.01
9.	Unclaimed Suspense Account	590	0.01
10.	Other Resident Individuals	27,24,212	37.89
	Total	71,89,368	100.00

Distribution of Shareholding as on 31.03.2024.

Shareholding	No. of Shares held	% of total paid Up Capital	No. of Share holders	% of total No. of Share holders
Upto 500	9,99,071	13.90	9,952	93.08
501-1000	3,28,776	4.57	427	4.00
1001-10000	6,88,084	9.57	270	2.52
10001 & above	51,73,437	71.96	43	0.40
Total	71,89,368	100.00	10692	100

Unclaimed Dividends

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

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

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

In the light of the aforesaid provisions, the Company as during the year under review transferred to IEPF the unclaimed dividends in respect of Interim Dividend for the financial year 2015-16, outstanding for seven consecutive years. Further, shares of the company in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to Unpaid Dividend Account have also been transferred to the demat account of IEPF Authority.

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

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

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

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

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

Dematerialisation of shares and liquidity

As on 31st March 2024, 96.90% equity shares of the Company are in dematerialized form with **National Securities Depository Limited** and **Central Depository Services (India) Limited**.

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

Outstanding GDR or ADRs or warrants or any convertible instruments

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

Equity Shares in Unclaimed Suspense Account

In compliance with SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022, the Company has opened 'Deepak Spinners Limited Escrow Demat Account' with M/s. Aditya Birla Money Limited to transfer unclaimed securities. As on 31.03.2024, there were 590 shares in this Escrow Demat Account.

Commodity price risk or foreign exchange risk and hedging activities

The Company has reasonable exposure to foreign exchange. Export sales transactions are covered under PCFC (Pre-Shipment Credit In Foreign Currency) facility availed from the Bankers of the Company and there is a natural hedging partly available in terms of exports made by the Company. The details of foreign exchange exposure are detailed in Note no.40 of Annual Financial Statements.

Plant locations

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

Address for correspondence

1. Deepak Spinners Limited, Share Department, Plot No 194-195, Fourth Floor, Industrial Area, Phase II, Chandigarh -160002 (INDIA). Telephone : 0091-(0172) 2650973,2650974.
2. M/s Maheshwari Datamatics Private Limited, 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001. Telephone : (033)22435029, (033)22433809, (033) 22482248.

Designated email-id for investor servicing :

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

Credit Rating

The Company has got the following credit rating from M/s. ICRA Limited on 25th May 2023.

Facility	Amount (Rs. Crore)	Rating / Outlook
On Long Term Scale		
Fund Based – Cash Credit	60.00	[ICRA]A- (Stable)
Fund Based – Term Loan	8.90	
Non-Fund Based – Bank Guarantee	3.00	
Total	71.90	
On Short Term Scale		
Fund Based – Standby Line of Credit	5.00	[ICRA]A2+
Fund Based – Export Packing Credit (Interchangeable)^	(15.00)	
Fund Based – Bill Discounting (Interchangeable)^	(15.00)	
Non-Fund Based – Letter of Credit	2.00	
Non-Fund Based – Capex Letter of Credit	10.00	
Non-Fund Based – Credit Exposure Limit	1.00	
Total	18.00	

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

10) CEO/CFO CERTIFICATION

As required by Regulation 17(8) of the Listing Regulations, the Chairman and Managing Director [CEO] and Chief Financial Officer [CFO] of the Company have certified to the Board about accuracy of the financial statements, maintenance of the code of conduct of the Company and adequacy of the internal control systems for the financial year ended on 31st March 2024.

11) OTHER DISCLOSURES

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

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

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

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

The mechanism provides for adequate safeguards against victimization of personnel, who avail of the mechanism. Although no personnel was denied access to the Vigil Officer and the Audit Committee, no complaints were received during 2023-24.

- d) Subsidiary Companies** - The Company does not have any subsidiary Company.
- e) Sexual Harrassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013**

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

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

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

- f)** All Accounting Standards mandatorily required to be followed, have been followed without exception in the preparation of the financial statements.
- g)** Procedures for the assessment of risk and its minimization have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that management can control risks. The Company is not required to form a Risk Management Committee.
- h)** No money was raised by the Company through any public issue, rights issue, preferential issue, etc. during the financial year 2023-24.
- i) A Certificate from a Company Secretary in Practice**, M/s. A. Arora & Company, Company Secretaries has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board or Ministry of Corporate Affairs or any such statutory authority. It is given as '**Annexure – B**' to this report.
- j) Management Discussion and Analysis** forms part of the Annual Report to the shareholders and it includes discussion on matters as required under Schedule V of the Listing Regulations.
- k) As per Regulation 26(5) of Listing Regulations**, there were no material financial and commercial transactions by Senior Management, where they have personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- l) Recommendations of Committees to the Board** - During 2023-24, the Board of Directors accepted all recommendations of various committees of the Board which were mandatorily required to be placed before the Board.

- m) Total fees for all services paid by the Company to the Statutory Auditors, M/s. Salarpuria & Partners, Chartered Accountants for the year 2023-24 were as follows-

	Amount in Rs.
Audit Fee	9,00,000
Limited Review	2,25,000
Certification Fee	60,000
Reimbursement of Expenses	1,13,353
Total	12,98,353

- 12) The Company has complied with all the mandatory requirements of Corporate Governance specified in Regulation 17 to 27 and clauses (b) to (f) of Regulation 46(2) of Listing Regulations.
- 13) The Corporate Governance Report of the Company for the year ended on 31st March 2024 complies with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. There is no non-compliance with any of the requirements of the Corporate Governance Report as required under the Listing Regulations
- 14) The status of adoption of the discretionary requirements as specified in Regulation 27(1) and Part E of Schedule II of the Listing Agreement are as follows: -
1. **The Board** – The Chairman of the Company is the Executive Chairman.
 2. **Shareholders’ Rights** - Quarterly and Half-yearly financial results are published in newspapers and uploaded on Company’s website but are not being sent to each household of shareholders of the Company.
 3. **Modified opinion(s) in audit report** –The Auditors have raised no qualification on the financial statements.
 4. **Reporting of Internal Auditor-** The Internal Auditors report directly to the Audit Committee. They are also invited to the meetings of the Audit Committee to discuss issues and queries raised by the latter.

15) Disclosure of Compliances –

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

16) Reconciliation of Share Capital Audit

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

17) Compliance Certificate

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

18) Filing of Cost Audit Report

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

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

Financial Year	Name of Cost Auditor	Date of Filing
2022-23	M/s. Shakti K. & Associates, Cost Accountants,	22.08.2023

This Corporate Governance Report was adopted by the Board of Directors at its meeting held on 29th May 2024

DECLARATION REGARDING COMPLIANCE OF THE CODE OF CONDUCT.

To,
The Members of
Deepak Spinners Limited

It is hereby confirmed that all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2024.

Place : Kolkata
Date : 29.05.2024

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the company
1.	Mr. Pradip Kumar Daga	00040692	16.04.2012
2.	Mr. Yashwant Kumar Daga	00040632	23.10.2006
3.	Mr. Pradeep Kumar Drolia	00291966	24.11.2006
4.	Mr. Shantanu Daga	08757724	09.11.2020
5.	Mr. Anand Prasad Agarwalla	00312652	10.11.2020
6.	Mrs. Asha Devi Daga	00048885	04.02.2022
7.	Mr. Vivek Chiraniya	00166690	17.02.2022
8.	Mr. Sharad Agarwal	06490590	15.04.2023

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

For A. Arora & Co.,
Company Secretaries

Ajay K. Arora
(Proprietor)
M No. 2191
C P No. 993

Date: 29.05.2024
Place: Chandigarh

Peer Review Cert No. 2120/2022
UDIN: F002191F000491460

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

The Members of

Deepak Spinners Limited

121, Industrial Area, Baddi, Tehsil-Nalagarh
District-Solan (Himachal Pradesh) -173205

1. The Corporate Governance Report prepared by Deepak Spinners Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2024. This certificate is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on the procedures performed by us and according to the information and explanations given to us, that we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

8. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
9. This certificate is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

For Salarpuria & Partners

Chartered Accountants

Firm Registration NO.: 302113E

Anand Prakash

Partner

Membership No.: 56485

UDIN: 24056485BKGYEM1062

Place: Kolkata

Date: 29.05.2024

INDEPENDENT AUDITOR'S REPORT

To The Members of The Deepak Spinners Limited *Report on the Audit of the Ind AS Financial Statements*

Opinion

We have audited the accompanying Financial Statements of **Deepak Spinners Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its **Profit** including other comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

S. N.	Key Audit Matter	Auditor's Response
1.	<p>Property Plant & Equipment</p> <p>We refer Note 2.6 and 3 to the Ind AS Financial Statement, the carrying amount of property, plant and equipment as at March 31, 2024 is Rs. 17,629.69 Lakhs. Property, Plant and Equipment are considered a Key Audit Matter as measurement of depreciation and impairment of property, plant and equipment requires the Management to make judgements, assumptions and estimates related to determining the useful life and method of depreciation and perform a test for the impairment of property, plant and equipment (if any)</p>	<p>How our audit addressed the key audit matter:</p> <p>The Audit procedures which we performed, among other matters based on our judgement, included the following:</p> <ul style="list-style-type: none"> • Examined and reviewed the internal controls related to financial operations in connection with Property, Plant and Equipment. • Performed an analytical procedure for movement of additions and disposals made to the account of property, plant and equipment. • Verified the physical existence and ownership of such property, plant and equipment. • Verified the correctness of the computation of depreciations according to the management's estimates for the useful life and as per Schedule II of the Companies Act, 2013. • Verified that there are no indicators of impairment of property, plant and equipment that require an impairment review. Save and except already provided in books of accounts. • Verified the correctness of the presentations, disclosure and accounting policies in accordance with the accounting principles generally accepted in India.
2.	<p>Trade and Other Receivables</p> <p>As disclosed in Note 10 and 13 to the financial statements.</p> <p>The Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivable as at the reporting date.</p>	<p>How our audit addressed the key audit matter:</p> <p>The Audit procedures which we performed, among other matters based on our judgement, included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Company's credit policy for trade receivables and evaluated the processes for identifying impairment indicators. • We have reviewed and tested the ageing of trade and other receivables. • We have reviewed management's assessment on the credit worthiness of selected customers for trade receivables. • We further discussed with the key management on the adequacy of the allowance for impairment recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. • We have also reviewed the adequacy and appropriateness of the impairment charge based on the available information. • Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other receivables to be reasonable and the disclosures to be reasonable and disclosures to be appropriate.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibilities Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS Financial Statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, Cash Flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
 - iv. a. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate

Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the year, the Company has declared and paid dividend amounted to Rs.179.74 Lakhs for the year ended March 31, 2023 which is in compliance of section 123 of the Companies Act, 2013.
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

Place: Kolkata
Date: 29.05.2024

For Salarpuria & Partners
Chartered Accountants
Firm ICAI Regd. No. 302113E)
UDIN: 24056485BKG YEL2052

Annexur 'A' to Independent Auditor's Report on the Audit of the Financial Statements

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

The Annexure referred to in Independent Auditors Report to the members of the Company on the Financial Statements for the Year Ended 31st March, 2024 we report that:

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

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

- d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Hence, reporting under this clause is not applicable.
- e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of Clause 3(1)(e) of the Order are not applicable to the Company.
- ii. a) The management has conducted physical verification of inventories during the year at reasonable interval and In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
- b) The Company has been sanctioned working capital limits during the year in excess of five crores rupees, in aggregate, from a bank on the basis of security of current assets. Based on

the examinations of the books of accounts and quarterly statements submitted to the bank, aggregate value of stocks and debtors are not in agreement with the books of accounts as mentioned reason for the same mentioned in Note No. 21 to the financial statements.

- iii. During the year, the Company has not made any investment in firms, limited liability partnership or any other parties The Company has not provided any guarantee or security or granted any loans or advances in the nature of Loans, Secured or Unsecured to Companies, Firms, limited liability Partnership or any other parties during the year.
- iv. The Company has no transaction with respect to loan, investment, guarantee, and security covered under Section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of paragraph 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposit or amount which are deemed to be deposits covered under Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of Clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. a) According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Service Tax. Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year-end for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings:

Name of Status	Nature of dues	Amount (₹ In Lakh)	Forum where dispute is pending	Period
The Central Excise Act, 1944	Demand for excise duty	2.34	CESTAT	2007-08
Income Tax Act, 1961	Dispute relating to carry forward unabsorbed depreciation and provision for doubtful debts.	6.25	CIT (Appeals) Kolkata	Assessment Year 2011-12
	Short allowance of credit of TDS and excess charge of Interest.	0.76	CIT (Appeals) Kolkata	Assessment Year 1998-99
	Disallowance of expenses etc.	1.21	CIT (Appeals) Kolkata	Assessment Year 2012-13

Name of Status	Nature of dues	Amount (₹ In Lakh)	Forum where dispute is pending	Period
	MAT Credit disallowance	21.39	CIT (Appeals) Kolkata	Assessment Year 2015-16
	Various disallowances	46.63	CIT (Appeals) Kolkata	Assessment Year 2018-19
	Disallowance of claims	80.22	CIT (Appeals) NFAC	Assessment Year 2020-21
The Employees' Provident funds and Miscellaneous Provisions Act, 1952	Provident fund liability on Apprentices trainees.	70.33	Central Government Industrial Tribunal cum Labour court- Jabalpur.	Mar-2003 to Feb-2008
The Madhya Pradesh Upkar Adhiniyam, 1981	Cess on captive generation of electricity.	62.63	Hon'ble Madhya Pradesh High Court Bench Gwalior.	Aug-2011 to Jan-2013
Madhya Pradesh Vidyut Shulk Abhiniyam 2012	Dispute in relation to rate of electricity duty including interest.	528.26	Hon'ble Madhya Pradesh High Court Bench Gwalior	Apr-2012 to Sep-2020

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

of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.

- b) We have not come across any instance of fraud by the Company or on the company during the course of Audit, therefore report under Sub-section 12 of Section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Therefore, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business;
- b) We have considered internal audit reports of the Company available till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year. Hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of paragraph 3(xvi)(a) of the Order are not applicable to the Company.
- b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of paragraph 3(xvi)(b) of the Order are not applicable to the Company.
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.
- d) According to the representations given by the management, there is no CIC as part of the Group.
- xvii. Based on the overall review of Financial Statement, the Company has not incurred cash loss in the financial year and in the immediately preceding financial year. Hence, reporting under paragraph 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of statutory auditor during the year. Hence, reporting Paragraph 3 (xviii) of the Order are not applicable to the Company.

- xix. According to the information and explanations given to us and on the basis of the Financial Ratios, ageing and expected dates of realization of Financial Assets and payment of Financial Liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable to meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Therefore, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Hence, reporting under paragraph 3(xxi) of the Order is not applicable.

Place: Kolkata
Date: 29.05.2024

For Salarpuria & Partners
Chartered Accountants
Firm ICAI Regd. No. 302113E)
UDIN: 24056485BKGYEL2052

Annexure `B' to the Independent Auditor's Report on the Audit of the Financial Statements

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

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

We have audited the internal financial controls with reference to financial statements of Deepak Spinners Limited ("the Company") as on March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

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

Opinion

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

Place: Kolkata
Date: 29.05.2024

For Salarpuria & Partners
Chartered Accountants
Firm ICAI Regd. No. 302113E)
UDIN: 24056485BKGYEL2052

BALANCE SHEET AS AT 31ST MARCH, 2024

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

ASSETS	Note	As at 31st March, 2024	As at 31st March, 2023
Non-Current Assets			
Property, Plant and Equipment	'3'	17,629.69	17,814.78
Capital Work-in-Progress	'3A'	858.83	369.98
Right of use Assets	'4'	126.06	146.88
Other Intangible assets	'5'	1.72	3.74
Financial Assets			
a. Investment	'6'	1.90	1.90
b. Other Non Current Assets	'7'	478.16	482.04
Other Non-Current Assets	'8'	415.52	807.85
		19,511.88	19,627.17
Current Assets			
Inventories	'9'	10,159.06	9,837.90
Financial Assets			
a. Trade Receivables	'10'	2,773.20	2,967.28
b. Cash and Cash Equivalents	'11'	8.54	35.94
c. Bank balances other than (b) above	'12'	47.77	56.06
d. Other Financial Assets	'13'	187.56	187.05
Current Tax Assets (Net)	'14'	474.30	380.57
Other Current Assets	'15'	2,138.84	1,778.77
		15,789.27	15,243.57
		35,301.15	34,870.74
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	'16'	718.94	718.94
Other Equity	'17'	22,825.82	22,836.12
		23,544.76	23,555.06
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	'18'	-	361.51
b. Lease Liabilities	'18A'	78.13	100.89
Provisions	'19'	162.99	172.06
Deferred Tax Liabilities (Net)	'20'	1,203.05	1,230.29
		1,444.17	1,864.75
Current Liabilities			
Financial Liabilities			
a. Borrowings	'21'	4,293.33	4,469.15
b. Lease Liabilities	'22'	22.76	18.90
c. Trade Payables	'23'		
a. total outstanding dues of micro and small enterprises		60.99	89.02
b. total outstanding dues of creditors other than micro and small enterprises		3,230.79	2,315.92
d. Other Financial Liabilities	'24'	1,103.76	1,050.05
Other Current Liabilities	'25'	248.16	137.83
Provisions	'26'	1,352.43	1,325.06
Current Tax Liabilities (net)	'27'	-	45.00
		10,312.22	9,450.93
		11,756.39	11,315.68
		35,301.15	34,870.74
Total Equity and Liabilities			

Summary of significant accounting policies and other notes to financial statements "1 to 50"

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For Salarpuria & Partners

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 56485

Place : Kolkata

Date: 29th May, 2024

Yashwant Kumar Daga
Chairman and Managing Director
DIN: 00040632

Anand Prasad Agarwalla
Director

DIN: 00312652

Punam Chand Sharma
Chief Financial Officer

Puneeta Arora
Company Secretary

FCS:7466

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

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

	Note	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
I REVENUE			
Revenue from Operations	'28'	47,097.77	56,136.35
Other Income	'29'	280.03	257.56
Total Income		47,377.80	56,393.91
II EXPENSES			
Cost of Materials Consumed	'30'	28,101.39	34,150.60
Changes in Inventories of Finished Goods, Work-in-Progress and Waste	'31'	(812.65)	(3,407.80)
Employee Benefits	'32'	7,272.17	7,236.01
Finance Costs	'33'	391.65	287.59
Depreciation and Amortization	'34'	1,670.20	1,601.42
Impairment Loss	'34 (a)'	220.59	-
Others Expenses	'35'	10,329.50	11,123.90
Total Expenses		47,172.85	50,991.72
Profit before Exceptional item and Tax (I-II)		204.95	5,402.19
Exceptional Item		-	-
Profit before Tax		204.95	5,402.19
Tax Expense			
Current Tax	'36'	(115.00)	(1,350.00)
Deferred Tax (Charge)/Credit	'20'	40.39	(43.49)
Profit for the year (A)		130.34	4,008.70
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		52.24	38.07
Tax relating to remeasurement of defined benefit plans		(13.15)	(9.58)
Total Other Comprehensive income for the year (B)		39.09	28.49
Total Comprehensive income for the year (A+B)		169.43	4,037.19
Basic & Diluted Earnings Per Equity Share of Rs. 10 each	'37'	1.81	55.76

Summary of significant accounting policies and other notes to financial statements

'1 to 50'

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For Salarpuria & Partners

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 56485

Place : Kolkata

Date: 29th May, 2024

Yashwant Kumar Daga
Chairman and Managing Director
DIN: 00040632

Anand Prasad Agarwalla

Director

DIN: 00312652

Punam Chand Sharma
Chief Financial Officer

Puneeta Arora

Company Secretary

FCS:7466

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

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

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. Cash Flow from Operating Activities		
Net Profit before tax	204.95	5,402.19
<i>Adjustment for :</i>		
Depreciation and Amortization	1,670.20	1,601.42
Impairment Loss	220.59	-
Net profit on Sale/Discard of Property, Plant and Equipment	(51.66)	(62.50)
Finance Costs	391.65	287.59
Provision for Expected Credit Loss Written Back	-	(0.02)
Interest Income	(141.97)	(105.22)
Dividend on Non-Current Investment	(0.38)	(0.38)
Sundry Credit Balance Written Back	(1.74)	(3.53)
Operating Profit Before Working Capital Changes	2,291.64	7,119.55
Movements in working capital :-		
(Increase)/ Decrease in Inventories	(321.16)	(1,720.37)
(Increase)/ Decrease in Trade and other receivables	(155.68)	(327.40)
Increase/ (Decrease) in Trade and other payables	1,116.36	491.06
Cash Generated From Operations	2,931.16	5,562.84
Less : Income Tax Paid (net of refunds)	(240.58)	(1,389.65)
Net Cash From Operating Activities	2,690.58	4,173.19
B. Cash Flow from Investment Activities		
Movement in fixed deposits	1.94	16.73
Interest received	141.46	105.22
Purchases of Property, Plant and Equipments (including capital advance)	(1,904.76)	(3,950.78)
Proceeds from sales of Property, plant & Equipements	170.61	81.14
Dividend on Non-Current Investment	0.38	0.38
Net Cash Used In Investing Activities	(1,590.37)	(3,747.31)
C. Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(890.50)	(563.50)
Net proceeds/(Repayment) of Short Term Borrowings	353.17	636.95
Dividend Paid	(179.73)	(179.73)
Payment of Lease liability	(29.67)	(16.77)
Finance Costs	(380.88)	(273.86)
Net Cash Used in Financing Activities	(1,127.61)	(396.91)
Net Increase/(Decrease) in Cash and Cash Equivalents	(27.40)	28.97
Cash and Cash Equivalents at the beginning of the year	35.94	6.97
Cash and Cash Equivalents at the end of the year (Refer Note 11)	8.54	35.94
	(27.40)	28.97

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

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

Notes :

A. The company has prepared cash flow statement as per indirect method.

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

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached.

As per our report of even date attached.

For Salarpuria & Partners

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 56485

Place : Kolkata

Date: 29th May, 2024

Yashwant Kumar Daga

Chairman and Managing Director

DIN: 00040632

Punam Chand Sharma

Chief Financial Officer

Anand Prasad Agarwalla

Director

DIN: 00312652

Puneeta Arora

Company Secretary

FCS:7466

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

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

(a) Equity share capital	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	71,89,368	718.94	71,89,368	718.94
Changes in equity share capital during the year	-	-	-	-
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-
Balance at the end of the year	71,89,368	718.94	71,89,368	718.94

(b) Other equity	Reserves and Surplus					
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Item of Other Comprehensive Income	Total
Balance as at 1st April, 2022	217.81	1.17	2,809.79	15,949.89	-	18,978.66
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at 1st April, 2022	-	-	-	-	-	-
Profit for the year	-	-	-	4,008.70	-	4,008.70
Other comprehensive income for the year (including Tax thereon)	-	-	-	-	-	-
- Remeasurement Gain / (Loss) on defined benefit plan	-	-	-	28.49	-	28.49
Annual Dividend 2021-22	-	-	-	(179.73)	-	(179.73)
Balance as at 31st March, 2023	217.81	1.17	2,809.79	19,807.35	-	22,836.12
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at 1st April, 2023	-	-	-	-	-	-
Profit for the year	-	-	-	130.34	-	130.34
Other comprehensive income for the year (including Tax thereon)	-	-	-	-	-	-
- Remeasurement Gain / (Loss) on defined benefit plan	-	-	-	39.09	-	39.09
Annual Dividend 2022-23	-	-	-	(179.73)	-	(179.73)
Balance as at 31st March 2024	217.81	1.17	2,809.79	19,797.05	-	22,825.82

he accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For Salarpuria & Partners

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 56485

Place : Kolkata

Date: 29th May, 2024

Yashwant Kumar Daga
 Chairman and Managing Director
 DIN: 00040632

Anand Prasad Agarwalla
 Director

DIN: 00312652

Punam Chand Sharma
 Chief Financial Officer

Puneeta Arora
 Company Secretary

FCS:7466

Notes to Financial Statements for the year ended 31st March, 2024

P1. Reporting Entity

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

These financial statements were approved for issue by the Board of Directors in their meeting held on 29th May, 2024.

2. Material Accounting Policy Information

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

2.1 Statement of Compliance

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

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

2.2 Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value
- Defined benefit liability (assets): present value of defined benefit obligation less fair value of plan assets.
- Financial instrument - measured at fair value;

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2

Notes to Financial Statements for the year ended 31st March, 2024

or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

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

A. Judgements

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

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

B. Assumptions and estimation uncertainties

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

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

Notes to Financial Statements for the year ended 31st March 2024

significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

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

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

An asset is treated as current when it is:

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

An liability is treated as current when it is:

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

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

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

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

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

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

2.7 Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less

Notes to Financial Statements for the year ended 31st March, 2024

costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

2.8 Borrowing Cost

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

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

2.9 Foreign currency transactions

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

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

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

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

2.10 Employee benefits

a. Short term employee benefits

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

Notes to Financial Statements for the year ended 31st March 2024

b. Defined contribution plans

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

c. Defined benefit plans

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

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment or curtailment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

d. Other long-term employee benefits

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

2.11 Government Grants and Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement

Notes to Financial Statements for the year ended 31st March, 2024

of Profit and Loss on a straight-line basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

2.12 Measurement of fair value

a. Financial instruments

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

b. Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

2.13 Financial instruments

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

a. Financial Assets

Initial recognition and measurement

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

Classifications

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

Financial Assets measured at amortised cost

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

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

Notes to Financial Statements for the year ended 31st March 2024

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

Impairment of financial assets

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

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

De-recognition of financial assets

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

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

Notes to Financial Statements for the year ended 31st March, 2024

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

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

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

De-recognition of financial liabilities

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

2.14 Segment Reporting

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

Notes to Financial Statements for the year ended 31st March 2024

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

3. Property, plant and equipment

Accounting Policy:

Recognition and measurement

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready for intended use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. As per the assessment made by the management, property plant & equipment (other than building and captive power plant) does not comprise any significant components with different useful life. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

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

Depreciation

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

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

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

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

De-recognition

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

Notes to Financial Statements for the year ended 31st March, 2024

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

Particulars	Tangible Assets						Total
	Free hold land (a)	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	
Cost							
As at 31st March, 2022	33.40	6,290.04	16925.63	189.82	80.88	68.56	23,588.33
Additions	-	687.74	3,832.48	13.98	3.47	3.68	4,541.35
Disposals	-	-	311.21	-	-	-	311.21
Adjustment	-	-	-	-	-	-	-
Reclassification to Right of Use Assets							
As at 31st March, 2023	33.40	6,977.78	20446.9	203.80	84.35	72.24	27,818.47
Additions	-	169.53	1,626.72	-	2.74	2.83	1,801.82
Disposals	-	-	233.02	1.72	-	0.22	234.96
Adjustment	-	-	-	-	-	-	-
Reclassification to Right of Use Assets							
As at 31st March, 2024	33.40	7,147.31	21,840.60	202.08	87.09	74.85	29,385.33
Depreciation							
As at 31st March, 2022	-	1,381.37	7,190.11	75.28	28.70	50.93	8,726.39
For the year	-	233.93	1,301.48	21.91	7.80	4.75	1,569.88
Deletions	-	-	292.57	-	-	-	292.57
Adjustment	-	-	-	-	-	-	-
Reclassification to Right of Use Assets							
As at 31st March, 2023	-	1,615.30	8,199.02	97.19	36.50	55.68	10,003.70
For the year	-	235.53	1,376.99	22.59	7.75	4.50	1,647.36
Deletions	-	-	116.00	-	-	0.01	116.01
Impairment Loss *	-	-	220.59	-	-	-	220.59
Reclassification to Right of Use Assets							
As at 31st March, 2024	-	1,850.83	9,680.60	119.78	44.25	60.17	11,755.64
Net block							
As at 31st March, 2023	33.40	5,362.48	12,247.88	106.61	47.85	16.56	17,814.78
As at 31st March, 2024	33.40	5,296.48	12,160.00	82.30	42.84	14.68	17,629.69

- (a) Includes Carrying Value of Land Rs. 2.42 (Previous Year: Rs. 2.42) held by the company since 21st February, 1994 for which registration is pending and Title deed held in the name of others (Other than promoter, director or relative of promoter/director or employee of promoter/ director).
- (b) Includes carrying value of Building Rs. 625.49 for which possession held by the company w.e.f 22nd October, 2022 for which registration of Title deed is pending due to statutory compliance of the Real Estate Developer.
- (c) Property, Plant & Equipment given as security for borrowings refer note 18 & 21

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

Notes to Financial Statements for the year ended 31st March 2024

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

3A' 1. Accounting Policy:

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

3A' 2. Age wise detail of Capital Work in progress

Particulars	As as March 31,2024	As as March 31,2023
Projects in progress		
< 1 Year	853.52	369.98
1-2 Years	5.31	
2-3 Years		
> 3 Years		
Total	858.83	369.98

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

4. Right of use assets (Refer Note 39)

Accounting Policy:

The Company as lessor

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

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

The Company as lessee

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

Right of Use (ROU) Assets

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

Notes to Financial Statements for the year ended 31st March, 2024

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

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

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

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

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

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

	Leasehold Land Leased Property		Total
Cost			
As at 31st March, 2022	62.74	170.36	233.10
Additions as per IND AS 116 (Lease)	-	-	-
Disposals	-	-	-
Adjustment	-	-	-
As at 31st March, 2023	62.74	170.36	233.10
Disposals			
Adjustment			
As at 31st March, 2024	62.74	170.36	233.10
Amortisation			
As at 31st March, 2022	5.83	59.57	65.40
For the year	0.97	19.85	20.82
Deletions	-	-	-
As at 31st March, 2023	6.80	79.42	86.22
For the year	0.97	19.85	20.82
Deletions	-		
As at 31st March, 2024	7.77	99.27	107.04
Net block			
As at 31st March, 2023	55.94	90.94	146.88
As at 31st March, 2024	54.97	71.09	126.06

Notes to Financial Statements for the year ended 31st March 2024

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

5. Intangible Assets

Accounting Policy:

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

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

Particulars	Software IT ERP	Total
Cost		
As at 31st March, 2022	162.25	162.25
Additions	-	-
Disposals	-	-
Adjustment	-	-
As at 31st March, 2023	162.25	162.25
Additions	-	-
Disposals	-	-
Adjustment	-	-
As at 31st March, 2024	162.25	162.25
Amortisation		
As at 31st March, 2022	147.79	147.79
For the year	10.72	10.72
Deletions	-	-
Adjustment	-	-
As at 31st March, 2023	158.51	158.51
For the year	2.02	2.02
Deletions	-	-
Adjustment	-	-
As at 31st March, 2024	160.53	160.53
Net block		
As at 31st March, 2023	3.74	3.74
As at 31st March, 2024	1.72	1.72

Notes to Financial Statements for the year ended 31st March, 2024

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

	As at 31st March, 2024	As at 31st March, 2023
'6' Non-Current Investment Other than Trade		
Investment in Fully Paid Equity Instruments (Unquoted)		
Shivalik Solid Waste Management Limited	1.90	1.90
19,000 (Previous Year '19000') Equity Share of Rs. 10 each		
	1.90	1.90
'7' Other Non-Current Financial Assets (Unsecured, Considered Good)		
Security Deposits	478.16	470.78
Export Benefits/Claims Receivables #	-	11.26
	478.16	482.04
#Claim lying with department but hold against Service Tax dispute is written off during the years no longer receivable.		
'8' Other Non Current Assets		
Capital Advances	415.52	801.42
Prepaid Expenses	-	6.43
	415.52	807.85

'9' Inventories

Accounting Policy:

i) Inventories are valued as follows:

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

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

ii) Provision for obsolete/ old inventories is made, wherever required.

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

Notes to Financial Statements for the year ended 31st March 2024

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

physical verification.”

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

Raw Materials	1,546.51	1,977.26
Work-in-Progress	757.17	987.80
Finished Goods	7,487.31	6,441.19
Stores and Spares	364.70	425.44
Waste	3.37	6.21
	10,159.06	9,837.90

Goods in transit included in above inventories are as under :

Raw materials	205.26	240.48
Stores and Spares	51.24	50.19

9a' Write downs of inventories (net of reversal) related to old stock of finished goods amounted to Rs (Previous year Rs 13.43). These were recognised as expense during the year and included in Changes in inventories of finished goods, stock-in-trade and work-in-progress in statement of profit and loss.

9b' Inventories are hypothecated to secure borrowings. Refer to Note No. 18 & 21.

'10' Trade Receivables

Accounting Policy

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

Unsecured

Considered Good	2,773.20	2,967.28
Credit Impaired	461.41	461.41
	3,234.61	3,428.69
Less: Allowances for credit losses	461.41	461.41
	2,773.20	2,967.28

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

10b' Trade Receivables are hypothecated to secure borrowings. Refer to Note No. 18 & 21.

Notes to Financial Statements for the year ended 31st March, 2024

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

'10c' Trade Receivables ageing schedule:

As at March 31, 2024		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed								
	Considered good	1,560.90	1,104.27	6.63	8.85	-	92.55	2,773.20
	Which have significant increase in credit risk	-	-	-	-	-	-	-
	Credit impaired	-	-	-	-	-	190.27	190.27
Disputed								
	Considered good	-	-	-	-	-	-	-
	Which have significant increase in credit risk	-	-	-	-	-	-	-
	Credit impaired	-	-	-	-	-	271.14	271.14
Total		1,560.90	1,104.27	6.63	8.85	-	553.96	3,234.61

Trade Receivables ageing schedule: Outstanding for following periods from due date of payment

As at March 31, 2023		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed								
	Considered good	1,822.31	917.02	7.53	22.60	197.82	-	2,967.28
	Which have significant increase in credit risk	-	-	-	-	-	-	-
	Credit impaired	-	-	-	-	150.00	40.27	190.27
Disputed								
	Considered good	-	-	-	-	-	-	-
	Which have significant increase in credit risk	-	-	-	-	-	-	-
	Credit impaired	-	-	-	-	-	271.14	271.14
Total		1,822.31	917.02	7.53	22.60	347.82	311.41	3,428.69

Notes to Financial Statements for the year ended 31st March 2024

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

'11' Cash and Cash Equivalents

Accounting Policy:

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

Balance with Banks :

- In Current Accounts	3.15	27.46
Cash on hand	5.39	8.48
	8.54	35.94

'12' Other Bank Balances

Earmarked balances with banks

Unpaid Dividend Account	40.11	46.46
Fixed Deposit Account (maturity within one year)*	4.97	7.44
Fixed Deposit Account (Pledged with Sales Tax Department)	2.69	2.16
	47.77	56.06

(*Pledged as Margin with Bank)

'13' Other Current Financial Assets

(Unsecured, Considered Good)

Subsidy Receivable	183.35	183.35
Interest Accrued	4.21	3.70
	187.56	187.05

'14' Current Tax Assets (Net)

Accounting Policy:

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

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

Advance Current Tax (Net of Provision)	474.30	380.57
	474.30	380.57

'15' Other Current Assets

Payment under Protest against disputed statutory demands	446.82	446.82
Indirect taxes recoverable	1,455.66	1,098.82
Export Benefit Receivable	60.12	97.35
Advances Recoverable in Cash or in Kind	138.42	75.34
Prepaid Expenses	37.82	60.44
	2,138.84	1,778.77

Notes to Financial Statements for the year ended 31st March, 2024

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

	As at 31st March, 2024	As at 31st March, 2023
'16' Share Capital:		
Authorised:		
80,00,000 (Previous year 80,00,000) Equity Shares of Rs.10/- each.	800.00	800.00
60,00,000 (Previous year 60,00,000) Unclassified Shares of Rs.10/- each.	600.00	600.00
	1,400.00	1,400.00
Issued:		
72,12,868 (Previous year 72,12,868) Equity Shares of Rs.10/- each	721.29	721.29
	721.29	721.29
Subscribed and Fully Paid-up Shares		
71,89,368 (Previous year 71,89,368) Equity Shares of Rs.10/- each fully paid-up	718.94	718.94
	718.94	718.94

a. Terms and Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However dividend other than interim dividend, is subject to the approval of the shareholders in the Annual General Meeting.

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

Equity Shares outstanding at the beginning of the year	7189368	7189368
Equity Shares allotted during the year	-	-
Equity Shares outstanding at the end of the year	7189368	7189368

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

Name of shareholder	As at 31st March,2024		As at 31st March,2023	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Sh. Yashwant Kumar Daga	9,90,444	13.78	9,86,555	13.72
M/s. Mangalam Engineering Projects Ltd.	8,69,429	12.09	8,69,429	12.09
M/s. Contransys Pvt. Ltd	4,02,100	5.59	4,02,100	5.59
M/s. Jalpaiguri Holdings Pvt. Ltd.	4,00,070	5.56	4,00,070	5.56

Notes to Financial Statements for the year ended 31st March 2024

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

d. Details of Shareholding of Promoters :

Shares held by promoters at the end of the year

	As at March 31, 2024			As at March 31, 2023		
	Number of shares	% of shares	% increase / (decrease) during the year	Number of shares	% of shares	% increase / (decrease) during the year
Sh. Pradeep Kumar Daga	-	-	-	-	-	(100.00)
Sh. Yashwant Kumar Daga	9,90,444	13.78	0.39	9,86,555	13.72	148.89
Smt.Asha Devi Daga	428	0.01	No Change	428	0.01	(99.89)
Pradeep Kumar Daga (HUF)	1,50,934	2.10	No Change	1,50,934	2.10	No Change
Pradeep Kumar Daga as partner in Banshi Dhar Daga & Co.	1,03,805	1.44	No Change	1,03,805	1.44	No Change
Smt. Nandini Daga	2,91,047	4.05	No Change	2,91,047	4.05	219.67
Sh. Shantanu Daga	29,615	0.41	No Change	29,615	0.41	No Change
M/s. Manglam Engineering Pvt. Ltd.	8,69,429	12.09	No Change	8,69,429	12.09	No Change
M/s. Contranys Pvt. Ltd	4,02,100	5.59	No Change	4,02,100	5.59	No Change
M/s. Jalpaiguri Holding Pvt. Ltd.	4,00,070	5.56	No Change	4,00,070	5.56	No Change
M/s.Coplama Products Pvt. Ltd.	49,500	0.69	No Change	49,500	0.69	No Change

'17' Other Equity

	As at 31st March, 2024	As at 31st March, 2023
(i) Capital Reserve		
Balance as per last financial statements	1.17	1.17
(ii) Securities Premium		
Balance as per last financial statements	217.81	217.81
(iii) General Reserve		
Balance at the beginning of the year	2,809.79	2,809.79
(iv) Retained earnings		
Balance at the beginning of the year	19,807.35	15,949.89
Add : Other Comprehensive income (including tax thereon)		
Remeasurement of Defined Benefit Plan	39.09	28.49
Profit for the year	130.34	4,008.70
Total	19,976.78	19,987.08
Less: Annual Dividend	179.73	179.73
Total	19,797.05	19,807.35
Total (i to iv)	22,825.82	22,836.12

Nature and purpose of other reserves/ other equity

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

General Reserve represents appropriation of a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to shareholders.

Notes to Financial Statements for the year ended 31st March, 2024

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

ers as per the provisions of the Companies Act, 2013.

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

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

'18' Borrowings

	As at 31st March, 2024	As at 31st March, 2023
(i) Secured		
(a) Term Loans from a Bank	-	885.51
(b) Vehicle Loans		
(a) From a Bank	-	4.99
	-	890.50
(ii) Current Maturity of Borrowings disclosed under the head "Short term Borrowings" (Refer Note No. 21)	-	(528.99)
(Total i+ii)	-	361.51

a. Securities

- (a) Term Loan from a bank was secured by first charge on the plant & machineries, other movable property, plant & equipment and extension of equitable mortgage on all immovable fixed assets and second charge on current assets of the textile business. This Loan was further secured by personal guarantee of Sh. Yashwant Kumar Daga holding the post of Vice Chairman and Joint Managing Director during the year ended 31st March, 2024.
- (b) Vehicle Loan from Bank Secured by hypothecation of vehicles financed.

c. Terms of Repayments of Non-Current Portion:

Rate of Interest	Repayment Periodicity	Installments Outstanding		As at 31st March, 2024	As at 31st March, 2023
		As at 31st March, 2024	As at 31st March, 2023		
10.95% (previous year 10.40%) linked with MCLR	Quarterly Equal	0	3	-	361.51
				-	361.51

'18A' Lease Liabilities

Accounting Policy:

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual

Notes to Financial Statements for the year ended 31st March 2024

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

lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
 - Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
 - The amount expected to be payable by the lessee under residual value guarantees;
 - The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
 - Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is presented as a separate line in the Balance Sheet.”
- The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

	As at 31st March, 2024	As at 31st March, 2023
Lease obligations	100.89	119.79
	100.89	119.79
Current Maturity of Lease liabilities (Refer Note No. 22)	(22.76)	(18.90)
	78.13	100.89

'19' **Non Current Provisions**

Accounting Policy:

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

Provision for Employee Benefits	162.99	172.06
	162.99	172.06

Notes to Financial Statements for the year ended 31st March, 2024

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

'20' Deferred Tax Liabilities (Net)

Accounting Policy:

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

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

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

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

Deferred Tax Assets

Provision for Employees Benefit	113.83	109.22
Other Timing Differences	462.23	459.11
	576.06	568.33

Deferred Tax Liability on account of :

Deferred Tax Liabilities on account of :		
Depreciation & Amortisation	1,779.11	1,798.62
	1,779.11	1,798.62
Deferred Tax Liabilities/ (Assets) Net	1,203.05	1,230.29

Notes to Financial Statements for the year ended 31st March 2024

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

A. Movement in deferred Tax balances

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

	As at 31st March, 2022	Recognized in Profit & Loss	Recognized in OCI	As at 31st March, 2023
Deferred Tax Assets				
Provision for Employees Benefits	98.73	20.07	(9.58)	109.22
Other Timing Differences	459.30	(0.19)	-	459.11
Sub- Total (a)	558.03	19.88	(9.58)	568.33
Deferred Tax Liabilities				
Impact of difference in depreciation/amortization on Property, plant and equipment and Right of use in tax accounts and depreciation/amortization for financial reporting	1,735.25	63.37	-	1,798.62
Sub- Total (b)	1,735.25	63.37	-	1,798.62
Net Deferred Tax Liability (b)-a)	1,177.22	43.49	9.58	1,230.29

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Before Tax	Tax (Expense)/ Income	Net Of Tax	Before Tax	Tax (Expense)/ Income	Net Of Tax
Remeasurements of defined benefit liability	52.24	(13.15)	39.09	38.07	(9.58)	28.49
	52.24	(13.15)	39.09	38.07	(9.58)	28.49

Notes to Financial Statements for the year ended 31st March, 2024

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

C. Reconciliation of Income Tax Expense

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax from continuing operations	204.95	5,402.19
Tax using the Company's domestic tax rate @ 25.168%	51.58	1,359.62
Tax effect of:		
MAT credit entitlement related to earlier years utilised	-	-
Non-deductible expenses	20.64	25.05
Others	2.39	8.81
Income tax expenses reported in the statement of profit and loss	74.61	1,393.49

'21' Short-term Borrowings

A Secured	As at 31st March, 2024	As at 31st March, 2023
Loan repayable on demand		
-From Bank	4,293.33	3,940.16
Current maturities of long-term borrowings (Refer Note No. 18)	-	528.99
	4,293.33	4,469.15

Securities:-

Loan from bank is secured by first charge on current assets both present and future and additionally secured by way of second charge on all property, plant & equipment.

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

Quarter	Name of Bank	Particular of security Provided	Amount as per Books of Accounts	Amount as reported in quarterly statement/return	Amount of difference	Reason for Material Difference
June'23	State Bank of India	Stock & Debtors	13,669.71	13,571.10	98.61	Difference in value due to change arised on completion of limited review.
September'23	State Bank of India	Stock & Debtors	14,200.45	14,083.94	116.51	
December'23	State Bank of India	Stock & Debtors	11,877.91	11,828.70	49.21	
March'24	State Bank of India	Stock & Debtors	13,390.30	13,268.32	121.98	Difference in value due to change arised on completion of audit

Notes to Financial Statements for the year ended 31st March 2024

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

- (b) Summary of reconciliation and reasons of material discrepancies between quarterly returns or statements of stock & debtors filed by the Company with bank during 2022-23;

Quarter	Name of Bank	Particular of security Provided	Amount as per Books of Accounts	Amount as reported in quarterly statement/ return	Amount of difference	Reason for Material Difference
June'22	State Bank of India	Stock & Debtors	10,170.53	10,158.63	11.90	Difference in value due to change arised on completion of limited review.
September'22	State Bank of India	Stock & Debtors	10,819.33	10,754.17	65.16	
December'22	State Bank of India	Stock & Debtors	9,623.76	9,675.96	(52.20)	
March'23	State Bank of India	Stock & Debtors	12,555.42	12,511.98	43.44	Difference in value due to change arised on completion of audit

22 Current Lease Liabilities

Lease Obligations (Refer Note No. 18A)	22.76	18.90
	22.76	18.90

23 Trade Payables

For Goods and Services

a) total outstanding dues of micro and small enterprises	60.99	89.02
b) total outstanding dues of creditors other than micro and small enterprises	3,230.79	2,315.92
	3,291.78	2,404.94

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

a. (i) Principal amount remaining unpaid to any supplier at the end of Financial Year	60.99	89.02
a. (ii) Interest due on princile amount remaining unpaid to any supplier at the end of Financial Year	-	-
b. Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-

Notes to Financial Statements for the year ended 31st March, 2024

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

- c. The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act - -
- d. The amount of interest accrued and remaining unpaid during the accounting year. - -
- e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act. - -

23.2' Trade payables ageing schedule

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

Outstanding for following periods from due date of payment						
As at March 31, 2023	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	100.68	0	-	-	-	100.68
ii) Others	1,104.22	1,167.87	10.09	0.19	21.89	2,304.26
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
Total	1,204.90	1,167.86	10.09	0.19	21.89	2,404.94

'24' Other Financial Liabilities

Unpaid Dividends	40.11	46.46
Security Deposits	11.39	11.22
Statutory Dues	120.13	120.42
Directors' Commission	9.00	9.00
Employees liabilities	923.13	862.95
	1,103.76	1,050.05

'25' Other Current Liabilities

Customers' Credit Balances and Advances against orders	248.16	137.83
Provision for CSR Liability	-	-
	248.16	137.83

'26' Short Term Provisions

Provision for Statutory Disputed Matters (Refer Note 26.1)	1,063.15	1,063.15
Provision for Employee Benefits #	289.28	261.91
	1,352.43	1,325.06

Includes Gratuity benefit (Refer Note 41)

Notes to Financial Statements for the year ended 31st March 2024

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

'26:1 Movement of Provision for Statutory Disputed

Matters

Opening Balance	1,063.15	1,063.15
Addition during the year	-	-
Paid during the year	-	-
Closing balance	<u>1,063.15</u>	<u>1,063.15</u>

'27' Current Tax Liabilities (Net)

Current Tax Payable (Net of Advances)	-	45.00
	<u>-</u>	<u>45.00</u>

'28' Revenue from Operations:

Accounting Policy:

- a) The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

"Performance Obligation is achieved when:

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

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

- b) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Notes to Financial Statements for the year ended 31st March, 2024

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

- c) Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of Manufactured goods:		
Man Made Synthetic Yarn *	46,790.07	55,883.09
Other Operating Revenue (including export incentives)	307.70	253.26
Revenue from Operations (Net)	47,097.77	56,136.35

* Sales includes Export Sales of Rs.5870.08 (Previous year Rs 5923.19)

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

Particulars		
Contract Price		
(i) Sales of Man Made Synthetic Yarn	47,021.30	56,132.81
(ii) other operating revenue	307.70	253.26
Adjustments:		
Discount/rebate/ incentives	231.23	249.72
Revenue recognised in statement of profit and loss	47,097.77	56,136.35

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

Particulars		
(i) At point of time	47,097.77	56,136.35
(ii) Over the time	-	-

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

Particulars		
(i) Trade receivables	3,234.61	3,428.69
Less: provision for loss allowances	461.41	461.41
	2,773.20	2,967.28

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

Particulars		
(i) Advance from and credit balance of customers (Refer Note No. 25)	248.16	137.83

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

Particulars		
In India	41,227.69	50,213.16
Outside India	5,870.08	5,923.19
	47,097.77	56,136.35

Notes to Financial Statements for the year ended 31st March 2024

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

'29' Other Income:

Interest Income	141.97	105.22
Net profit on Sale/Discard of Property, Plant and Equipment	51.66	62.50
Scrap Sales	79.57	82.56
Dividend on Non-Current Investment	0.38	0.38
Miscellaneous Income	4.71	3.35
Provision for Expected Credit Loss Written Back	-	0.02
Sundry Credit Balances Written Back	1.74	3.53
	280.03	257.56

'30' Cost of Materials Consumed:

Man Made Fibres	27,194.74	33,008.24
Dyes & Chemicals	906.65	1,142.36
	28,101.39	34,150.60

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

Inventories as at 31st March, 2024

Work-in-Progress	757.17	987.80
Finished Goods	7,487.31	6,441.19
Waste	3.37	6.21
Total (A)	8,247.85	7,435.20

Inventories as at 31st March, 2023

Work-in-Progress	987.80	963.31
Finished Goods	6,441.19	3,058.62
Waste	6.21	5.47
Total (B)	7,435.20	4,027.40
Total (B-A)	(812.65)	(3,407.80)

'32' Employee Benefit Expense

Salaries, Wages and Bonus	6,441.46	6,402.60
Gratuity	151.79	168.88
Contribution to Provident and Other Funds	512.71	501.86
Staff Welfare	166.21	162.67
	7,272.17	7,236.01

Notes to Financial Statements for the year ended 31st March, 2024

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

'33' Finance Costs

Interest*	367.18	253.64
Interest on Lease Obligations	10.77	12.90
Other Borrowing Costs	13.70	21.05
Loss on foreign Currency translations & transactions (considered as finance costs)	-	-
	391.65	287.59

*Interest includes Rs.Nil (Previous Year Rs. 3.83) to Income Tax department.

'34' Depreciation and Amortization Expense

On Tangible Assets	1,647.36	1,569.88
On Intangible Assets	2.02	10.72
On Right of Use Assets	20.82	20.82
	1,670.20	1,601.42

'34'(a) Impairment Loss

On Tangible Assets	220.59	-
	220.59	-

'35' Other Expenses

Consumption of Stores & Spares	1,842.60	2,421.53
Consumption of Packing Materials	845.68	906.14
Job Charges	223.66	240.42
Power & Fuel	4,676.02	4,500.44
Rent	64.31	55.83
Insurance	63.77	64.09
Rates & Taxes	37.26	15.08
Net loss on Foreign Currency Transactions and Translation	15.50	29.82
Repair and Maintenance		
Buildings	23.73	76.41
Machinery	120.06	119.47
Freight & Other selling expenses	1,804.04	2,033.65
Auditor's Remuneration		
As Auditor	9.00	9.00
For Limited Review	2.25	2.25
For Certification and Other Matters	0.60	0.60
Reimbursement of Expenses	1.13	1.57
Cost Audit Fee	0.72	0.65
Commission to Directors	10.00	10.00
Sundry balance written off	11.53	4.42

Notes to Financial Statements for the year ended 31st March 2024

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

CSR Expenses	81.00	65.70
Donation	1.00	30.00
Miscellaneous	495.64	536.83
	10,329.50	11,123.90

'36' Current Tax

Accounting Policy:

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

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

Current Tax for the year	115.00	1,350.00
Less:- MAT Credit utilised	-	-
	115.00	1,350.00
Income Tax related to earlier year	-	-
Total Current Tax	115.00	1,350.00

'37' Earnings per share

Total profit for the year	130.34	4,008.70
Weighted average number of equity shares of Rs. 10/- each	71,89,368	71,89,368
EPS - Basic and Diluted (per share in Rs.)	1.81	55.76

38 Contingent liabilities, contingent assets and commitments

Accounting Policy:

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

Notes to Financial Statements for the year ended 31st March, 2024

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

	As at 31st March, 2024	As at 31st March, 2023
A. Contingent liabilities (not provided for) in respect of:		
1. Demand for Excise duty, being contested by the Company	2.34	7.97
2. Demand for Income Tax, being contested by the Company (Amount deposited Rs. 39.47, Previous year Rs. 25.06)	200.02	105.40
3. Legal Cases (Employees) , being contested by the Company	10.44	9.82
4. Demand for Cess on own generation of electricity, being contested by the Company	44.89	44.89
<p>The management believes that the Company has a strong chance of favorable decision in above cases, hence no provision has been considered necessary.</p>		
5. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.		
<p>The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.</p>		
B. Commitments		
1. Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances] not provided for	4,104.82	4,553.77
2. The Company has availed certain government subsidies. As per the term and conditions, the Company has to continue production for specified number of years and others conditions failing which amount of subsidies availed along with interest penalty etc. will have to be refunded.		

'39' Leases

As a Lessee

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

Right of Use Assets Category	Amount
Leasehold Land	62.74
Building	170.36
Total	233.10

- (A) There are no variable lease payments for the year ended March 31, 2024. (Previous year Nil)
- (B) Total cash outflow on leases for the year ended March 31, 2024 was ₹ 29.67 lakhs. (Previous year ₹ 29.67 Lakhs)

Notes to Financial Statements for the year ended 31st March 2024

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

(C) Lease Liabilities

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non- Current	Current	Non- Current	Current
Lease liabilities against ROU assets	78.13	22.76	100.89	18.90

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
0-1 year		31.52		29.67
1-3 years		68.24		65.64
3-5 Years		19.90		54.02
More Than 5 Years		-		-
Total		119.66		149.33

(E) The Company has also recognize expenses of short-term leases on a straight-line basis over the lease term. The expenses related to short-term leases are Rs. 64.31 Lakhs for the year ended March 31, 2024 (Previous year ₹ 55.83 Lakhs).

40 Foreign exchange exposures outstanding at the year-end:

(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :

i. Receivable		-	-
ii. Payable		105.29	13.51

41 Employee benefits

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

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund Rs. 512.71 (Previous year Rs. 501.86).

(ii) Defined Benefit Plan:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes to Financial Statements for the year ended 31st March, 2024

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

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

	31st March, 2024	31st March, 2023
Net defined benefit liability / (asset)	197.55	196.65
Liability for Gratuity		
Current	197.55	196.65

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

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

	31st March, 2024			31st March, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1st April	1,101.72	905.07	196.65	1,044.08	882.01	162.07
Included in profit or loss						
Service costs	153.59	-	153.59	161.00	-	161.00
Interest cost / (income)	81.53	(66.98)	14.55	74.97	(63.33)	11.64
	235.12	(66.98)	168.14	235.97	(63.33)	172.64

Included in OCI

Premeasurements loss / (gain)

Actuarial loss / (gain) arising from:

- Demographic assumptions	-	-	-	-	-	-
- financial assumptions	16.11	-	16.11	(20.26)	-	(20.26)
- experience adjustment	(86.61)	-	(86.61)	(36.37)	-	(36.37)
- on plan assets		18.26	18.26		18.57	18.57
	(70.50)	18.26	(52.24)	(56.63)	18.57	(38.06)

Other

Contributions paid by the employer		115.00	(115.00)		100.00	(100.00)
Benefits paid	(133.96)	(133.96)	-	(121.70)	(121.70)	-
	(133.96)	(18.96)	(115.00)	(121.70)	(21.70)	(100.00)
Balance as at 31st March, 2024	1,132.38	934.83	197.55	1,101.72	905.07	196.65

Notes to Financial Statements for the year ended 31st March 2024

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

'C'

	31st March, 2024	31st March, 2023
Plan assets		
Fund managed by insurer	100%	100%

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	7.22%	7.40%
Expected rate of future salary increase	6.00%	6.00%
Mortality	100% of IALM (2012-14)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31st March, 2024		31st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(45.18)	49.62	(45.58)	50.11
Expected rate of future salary increase (0.50% movement)	49.61	(45.52)	50.56	(46.37)

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

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

F. "Description of Risk Exposures:

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

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

Notes to Financial Statements for the year ended 31st March, 2024

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

42 Related parties

A. Related parties and their relationships

i) Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Sh. Pradip Kumar Daga	Chairman and Managing Director.
Sh. Yashwant Kumar Daga	Vice Chairman and Joint Managing Director (Son of Shri P.K Daga)
Smt. Asha Devi Daga	Director (KMP under Ind-AS) (Wife of Shri. P.K Daga).
Sh. Shantanu Daga	Director (KMP under Ind-AS) ((Son of Shri Yashwant Kumar Daga))
Sh. Pradeep Kumar Drolia	Independent Director (KMP under Ind-AS)
Sh. Anand Prasad Agarwalla	Independent Director (KMP under Ind-AS) (with effect from 10th November 2020)
Sh. Vivek Chiraniya	Independent Director (KMP under Ind-AS) (with effect from 17th February 2022)
Sh. Sharad Agarwal	Independent Director (KMP under Ind-As) (with effect from 15 th April 2023)
Sh. Punam Chand Sharma	Chief Financial Officer (KMP under Companies Act, 2013) (with effect from 9th November 2020)
Smt. Puneeta Arora	Company Secretary (KMP under Companies Act, 2013)

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

Deepak Industries Limited
 Contransys Private Limited
 Coplama Products Private Limited
 Bansidhar Daga Foundation
 Daga Seva Nidhi
 Merlin Holdings Private Limited

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

a) Payments to Key Managerial Personnel and their relatives	Name	Nature	Category	For the year ended	
				31st March, 2024	31st March, 2023
	Sh. Pradip Kumar Daga	- Remuneration #	Short Term Employee Benefits	163.03	137.98
	Sh. Yashwant Kumar Daga	- Sitting Fees	Other Transactions	-	-
		- Commission	Other Transactions	-	-
	Smt. Asha Devi Daga	- Sitting Fees	Other Transactions	1.03	0.45
		- Commission	Other Transactions	1.78	1.77
	Sh. Shantanu Daga	- Remuneration *	Short Term Employee Benefits	22.75	57.15
		- Sitting Fees	Other Transactions	1.03	0.60
		- Commission	Other Transactions	1.26	1.58
	Sh. Pradeep Kumar Drolia	- Sitting Fees	Other Transactions	2.16	1.88

Notes to Financial Statements for the year ended 31st March 2024

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

	- Commission	Other Transactions	1.78	1.77
Mrs. Nilu Agrawal	- Sitting Fees	Other Transactions	-	0.15
	- Commission	Other Transactions	-	1.33
Sh. Anand Prasad Agarwalla	- Sitting Fees	Other Transactions	2.35	1.80
	- Commission	Other Transactions	1.79	1.78
Sh. Vivek Chiraniya	- Sitting Fees	Other Transactions	2.23	1.58
	- Commission	Other Transactions	1.78	1.77
Sh. Sharad Agarwal	- Sitting Fees	Other Transactions	1.03	-
	- Commission	Other Transactions	1.61	-
Sh. Punam Chand Sharma	- Remuneration #	Short Term Employee Benefits	22.58	20.48
Smt. Puneeta Arora	- Remuneration #	Short Term Employee Benefits	15.05	13.43

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

* Above remuneration is inclusive of Gratuity & Leave Encashment.

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

- Deepak Industries Limited

Purchase of Electricity	169.19	134.72
-------------------------	--------	--------

- Contransys Private Limited

Rent received for premises leased out	3.51	3.35
---------------------------------------	------	------

- Coplama Products Private Limited

Rent payment	0.02	0.06
--------------	------	------

- Merlin Holdings Private Limited

Rent payment	3.60	-
--------------	------	---

- Bansidhar Daga foundation

Donation	-	15.00
----------	---	-------

- Daga Seva Nidhi

Donation	-	15.00
----------	---	-------

Closing Balance

Payable

	As at 31st March, 2024	As at 31st March, 2023
- M/s. Deepak Industries Limited	14.06	18.36
- M/s. Contransys Private Limited (Security Deposit)	0.20	0.20
- Sh. Pradip Kumar Daga	10.00	-
- Smt Asha Devi Daga	1.60	1.60
- Sh. Shantanu Daga	1.14	1.42
- Sh. Pradeep Kumar Drolia	1.61	1.60
- Mrs. Nilu Agrawal	-	1.19
- Sh. Anand Prasad Agarwalla	1.61	1.60
- Sh. Vivek Chiraniya	1.60	1.60
- Sh. Sharad Agarwal	1.44	-

Notes to Financial Statements for the year ended 31st March, 2024

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

Closing Balance	As at 31st March, 2024		As at 31st March, 2023
	-Sh. Punam Chand Sharma		0.50
-Smt. Puneeta Arora		0.81	0.60
Receivable			
- M/s. Contransys Private Limited (Rent)		0.32	0.32

43 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at 31st March, 2024		As at 31st March, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Trade receivables	-	2,773.20	-	2,967.28
Cash and cash equivalents	-	8.54	-	35.94
Bank balances other than above	-	47.77	-	56.06
Investment	-	1.90	-	1.90
Others	-	-	-	-
Non Current	-	478.16	-	482.04
Current	-	187.56	-	187.05
	-	3,497.13	-	3,730.27
Financial liabilities				
Long Term Borrowings	-	-	-	361.51
Short terms borrowings	-	4,293.33	-	4,469.15
Trade payables	-	3,291.78	-	2,404.94
Lease Liability	-	100.89	-	119.79
Other current financial liabilities	-	1,103.76	-	1,050.05
	-	8,789.76	-	8,405.44

B. Fair value hierarchy

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

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements. There are no financial assets or financial liabilities which are required to measure at fair value using recurring fair value measurements. "

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

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

Notes to Financial Statements for the year ended 31st March 2024

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

	As at 31st March, 2023			Total
	Level 1	Level 2	Level 3	
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between level 1 and level 2 during the year

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

	As at 31st March, 2024		As at 31st March, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade receivables	2,773.20	2,773.20	2,967.28	2,967.28
Cash and cash equivalents	8.54	8.54	35.94	35.94
Bank balances other than above	47.77	47.77	56.06	56.06
Investment	1.90	1.90	1.90	1.90
Others	-	-	-	-
Non Current	478.16	478.16	482.04	482.04
Current	187.56	187.56	187.05	187.05
	3,497.13	3,497.13	3,730.27	3,730.27
Financial liabilities				
Long Term Borrowings	-	-	361.51	361.51
Short terms borrowings	4,293.33	4,293.33	4,469.15	4,469.15
Trade payables	3,291.78	3,291.78	2,404.94	2,404.94
Lease Liability	100.89	100.89	119.79	119.79
Other current financial liabilities	1,103.76	1,103.76	1,050.05	1,050.05
	8,789.76	8,789.76	8,405.44	8,405.44

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

Notes to Financial Statements for the year ended 31st March, 2024

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

II. Financial risk management

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

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

Risk management framework

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

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

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

i. Credit risk

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

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

Trade and other receivables

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

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

More than 60 % of the Company's customers have been transacting with the Company for over four years. In monitoring customer credit risk, customers are reviewed according to their credit charac-

Notes to Financial Statements for the year ended 31st March 2024

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

teristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.”

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

The carrying amount net of credit loss allowances of trade receivables is Rs. 2773.20 (31st March, 2023 – Rs. 2967.28)

Ageing of trade receivables are as under:-

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at 31.03.2024	2,665.17	6.63	562.81	3,234.61
As at 31.03.2023	2,739.33	7.53	681.83	3,428.69

Reconciliation of loss allowance provision – Trade receivables

	31st March, 2024	31st March, 2023
Opening balance	461.41	461.43
Changes in loss allowance	-	-
Provision for Credit Loss written back	-	0.02
Closing balance	461.41	461.41

ii. Liquidity risk

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

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

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

Notes to Financial Statements for the year ended 31st March, 2024

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

(a) Financing arrangements

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

	As at	
	31st March, 2024	31st March, 2023
Variable rate		
Expiring within one year (bank overdraft and other facilities)	3,224.50	3,024.92
Expiring beyond one year (bank loans)	-	-
	3,224.50	3,024.92

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

(b) Maturities of financial liabilities

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

	Carrying Amounts 31st March, 2024	Contractual cash flows			
		Total	0- 1 Year	1-3 years	3-5 years
Non-derivative financial liabilities					
Borrowings	-	-	-	-	-
Short term borrowings	4,293.33	4,293.33	4,293.33	-	-
Trade payables	3,291.78	3,291.78	3,291.78	-	-
Lease Liability	100.89	100.89	22.76	78.13	-
Other current financial liabilities	1,103.76	1,103.76	1,103.76	-	-
Total non-derivative liabilities	8,789.76	8,789.76	8,711.63	78.13	-
	Carrying Amounts 31st March, 2023	Contractual cash flows			
		Total	0- 1 Year	1-3 years	3-5 years
Non-derivative financial liabilities					
Borrowings	890.50	890.50	528.99	361.51	-
Short term borrowings	3,940.16	3,940.16	3,940.16	-	-
Trade payables	2,404.94	2,404.94	2,404.94	-	-
Lease Liability	119.79	119.79	18.90	81.47	19.42
Other current financial liabilities	1,050.05	1,050.05	1,050.05	-	-
Total non-derivative liabilities	8,405.44	8,405.44	7,943.04	442.98	19.42

Notes to Financial Statements for the year ended 31st March 2024

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

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

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

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change."

iii. Market risk

"Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

iii (a). Currency risk

"The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables, if any, are partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances."

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows(amounts in lakhs)

	As at 31st March, 2024		As at 31st March, 2023	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	-	-	-	-
Other payables	105.29	-	13.51	-
Net statement of financial position exposure	105.29	-	13.51	-

The following significant exchange rates have been applied

Notes to Financial Statements for the year ended 31st March, 2024

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

	Average Rates		Year end spot rates	
	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
USD 1	82.79	80.51	83.37	82.22
EUR 1	89.80	83.76	90.22	89.61

iii. (b) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2024 and 31st March, 2023, the Company's borrowings at variable rate were denominated in Indian Rupees and US Dollars. Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any hedge to mitigate the interest rate risk and movement in foreign currency.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instrument is as follows

	Nominal Amount	
	31st March, 2024	31st March, 2023
Fixed-rate instruments		
Financial assets	485.81	480.38
Financial liabilities	-	4.99
	485.81	485.37
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	4,293.33	4,825.67
	4,293.33	4,825.67

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31st March, 2024				
Variable-rate instruments	(21.47)	21.47	(16.06)	16.06
Cash flow sensitivity	(21.47)	21.47	(16.06)	16.06
31st March, 2023				
Variable-rate instruments	(24.13)	24.13	(18.06)	18.06
Cash flow sensitivity	(24.13)	24.13	(18.06)	18.06

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to Financial Statements for the year ended 31st March 2024

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

Note 44 Disclosure of Ratios and their Elements as per the requirements of Schedule III to Companies Act 2013

a. Current Ratio = Current Assets divided by Current liabilities

	31st March, 2024	31st March, 2023
Current Assets	15,789.27	15,243.57
Current Liabilities	10,312.22	9,450.93
Ratio (Times)	1.53	1.61
% Change from previous year	-5.07%	1.98%

As at March 31, 2024 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

As at March 31, 2023 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

b. (i) Debt Equity ratio [Total debt divided by total equity, where total debt refers to sum of current and non current borrowings]

	31st March, 2024	31st March, 2023
Total debt*	4,293.33	4,830.66
Total equity	23,544.76	23,555.06
Ratio (Times)	0.18	0.21
% Change from previous year	-11.08%	-15.09%

As at March 31, 2024 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

As at March 31, 2023 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

c. Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

	31st March, 2024	31st March, 2023
PAT	130.34	4,008.70
Profit on sale of Property, Plant & Equipment	(51.66)	(62.50)
Add: Non cash operating expenses and finance cost		
- Finance Cost	391.65	287.59
- Depreciation and Amortisation Cost	1,670.20	1,601.42
- Impairment Loss	220.59	-
Earnings available for debt service	2,361.12	5,835.21
Current Borrowings	4,293.33	4,469.15
Add - Interest accrued	-	-
Total Debt (B)	4,293.33	4,469.15
Ratio (Times) (A/B)	0.55	1.31
% Change from previous year	-58.02%	-14.26%

As at March 31, 2024 : Reason for change more than 25%: Debt service coverage ratio has decreased due to decrease in earning.

As at March 31, 2023 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

Notes to Financial Statements for the year ended 31st March, 2024

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

d. Return on Equity Ratio / Return on Investment Ratio [Profit after tax divided by Average Equity]

	31st March, 2024	31st March, 2023
Net profit after tax	130.34	4,008.70
Average equity	23,549.91	21,626.33
Ratio (%)	0.55%	18.54%
% Change from previous year	-97.01%	-16.01%

As at March 31, 2024 : Reason for change more than 25%: Return on Equity Ratio/Return on Investment ratio decreased due to decreased in profit

As at March 31, 2023 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

e. Inventory Turnover Ratio [Sales divided by Average annual inventory]

	31st March, 2024	31st March, 2023
Sales	47,097.77	56,136.35
Average inventory	9,998.48	8,977.72
Ratio (no. of times)	4.71	6.25
% Change from previous year	-24.63%	-17.57%

As at March 31, 2024 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

As at March 31, 2023 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

f. Trade Receivables turnover ratio [Sales divided by Average trade receivables, where Sales is Revenue from Operations]

	31st March, 2024	31st March, 2023
Sales	47,097.77	56,136.35
Average Trade Receivables	2,870.24	3,140.82
Ratio (no. of times)	16.41	17.87
% Change from previous year	8.19%	-12.87%

As at March 31, 2024 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

As at March 31, 2023 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

g. Trade payables turnover ratio [Purchases divided by Average trade payables]

	31st March, 2024	31st March, 2023
Purchases of raw materials and packing materials	28,247.75	32,342.22
Purchases of Stores & Spares	2,983.53	3,627.92
Total Purchases	31,231.28	35,970.14
Average Trade Payables	2,848.36	2,119.54
Cost of Goods sold	47,097.77	56,136.35
Ratio (no. of times)	10.96	16.97
% Change from previous year	-35.39%	-21.46%

Notes to Financial Statements for the year ended 31st March 2024

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

As at March 31, 2024 : Reason for change more than 25%: Due to decrease in total purchase and increase in average trade payable

As at March 31, 2023 : Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

h. Net Capital Turnover Ratio [Sales divided by Net Working capital, where Net working capital is Current assets minus Current liabilities]

	31st March, 2024	31st March, 2023
Sales (refer (f) above)	47,097.77	56,136.35
Net Working Capital	5,477.05	5,792.64
Ratio (no. of times)	8.60	9.69
% Change from previous year	-11.27%	-10.94%

As at March 31, 2024 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

As at March 31, 2023 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

i. Net profit ratio [Profit after tax divided by Sales]

	31st March, 2024	31st March, 2023
Profit After Tax	130.34	4,008.70
Sales (refer (f) above)	47,097.77	56,136.35
Ratio (%)	0.28%	7.14%
% Change from previous year	-96.12%	-3.38%

As at March 31, 2024 - Reason for change more than 25%: Due to decrease in profit

As at March 31, 2023 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

j. Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Average Capital Employed

	31st March, 2024	31st March, 2023
Profit before tax (A)	204.95	5,402.19
Finance Costs (B)	391.65	287.59
EBIT (C) = (A)+(B)	596.60	5,689.78
Average Capital Employed (D)	28,111.91	26,420.27
Ratio % (C/D)	2.12%	21.54%
% Change from previous year	-90.15%	-8.63%

As at March 31, 2024- Reason for change more than 25%: Due to decrease in EBIT and increase in average capital employed

As at March 31, 2023 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

k. Return on Investment=Net investment Income divided by Cost of investment

	31st March, 2024	31st March, 2023
Net Investment Income (A)	0.38	0.38
Cost of Investment (B)	1.90	1.90

Notes to Financial Statements for the year ended 31st March, 2024

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

	31st March, 2024	31st March, 2023
Ratio % (A/B)	20.00%	20.00%
% Change from previous year	0.00%	33.33%

As at March 31, 2024 - Reason for change more than 25%: Not applicable since the percentage of change in ratio is less than 25%

As at March 31, 2023 - Reason for change more than 25%: Due to increase in income from investment

45 Balances of certain trade receivables and trade payables are in the process of confirmation and/or reconciliation.

46 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

One customer individually account (one in prev. year) for more than 10% of the revenue in the year ended 31st March, 2024 and 31st March, 2023

47 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	31.03.2024	31.03.2023
Equity Share Capital	718.94	718.94
Other Equity	22,825.82	22,836.12
Total Equity	23,544.76	23,555.06
Non-Current Borrowings	-	361.51
Current maturities of Non-Current Borrowings	-	528.99
Current Borrowings	4,293.33	3,940.16
Total Debts	4,293.33	4,830.66

48 CSR Expenditure

The Company undertook Corporate Social responsibility('CSR') programme and activities through a registered under the Income Tax Act,1961.

Particulars	31.03.2024	31.03.2023
Amount required to be spent during the year	85.78	58.68
Amount spent during the year	81.00	65.70
(Excess) / Shortfall for the year	4.78	(7.02)
Total of previous years shortfall [net]	(7.02)	-

Notes to Financial Statements for the year ended 31st March 2024

Particulars	31.03.2024	31.03.2023
Excess amount spent shall be set off against subsequent years obligation	2.24	7.02
Details of related party transactions such as Contribution to trust controlled by the company	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately		
Nature of CSR activities:		
a) Contribution to PM Cares and State CMRF/AP Disaster Management Authority	-	-
b) Health/Eradicating Hunger/Proverty and malnutrition/Safe Drinking water/Sanitation	38.00	7.70
c) Promoting Education	43.00	58.00
d) Woman Empowerment		
e) Promoting National Sports		
Reason for shortfall		
a) As at March, 31 2024- No Shortfall	-	-
b) As at March, 31 2024- The Company was in process of identifying prospective project in line with Schedule VII to the Companies Act, 2013	-	-

49 Dividend

The Board of directors in their meeting held on 29th May, 2024 have recommended dividend of Rs. 0.50 per share aggregating Rs.35.95 Lakhs subject to approval of the shareholders in the Annual General Meeting.

In previous year, the Board of directors in their meeting held on 24th May, 2023 have recommended dividend of Rs. 2.50 per equity share aggregating Rs. 179.73 Lakhs for the financial year ended March 31, 2023.

50 The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current year classifications.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For Salarpuria & Partners

Chartered Accountants

Firm Reg. No. 302113E

Anand Prakash

Partner

Membership No. 56485

Place : Kolkata

Date: 29th May, 2024

Yashwant Kumar Daga
 Chairman and Managing Director
 DIN: 00040632

Anand Prasad Agarwalla
 Director
 DIN: 00312652

Punam Chand Sharma
 Chief Financial Officer

Puneeta Arora
 Company Secretary
 FCS:7466

Book Post
(PRINTED MATTER)



If undelivered, please return to :

**DEEPAK SPINNERS
LIMITED**

Plot No. 194-195
Fourth Floor, Industrial Area,
Phase II, Chandigarh –
160002