

To,
The Manager
Listing & Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra,
Mumbai- 400051.

Date: 01.07.2025

Company ID: **LAGNAM**
ISIN: **INE548Z01017**

Sub.: **Notice of the 15th Annual General Meeting (AGM) and Annual Report 2024-2025**

Dear Sir/Madam,

As required under Regulation 30 and Regulation 34 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) we hereby submit copy of the Annual Report of the Company for the financial year 2024-25 along with the Notice convening the 15th Annual General Meeting scheduled to be held on Wednesday, 23rd of July 2025 at 11:30 A.M. (IST) through Video Conferencing (VC)/other audio-visual means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

The notice convening the 15th AGM and Annual Report 2024-25 are being sent by email to those members whose email addresses are registered with the Company/RTA/Depository Participants. The shareholders whose email ids are not registered with the company may request a copy of the Annual Report by sending an email to rparashar@lagnam.com. The Annual Report & Notice of AGM are also available on the website of the Company at www.lagnamspintex.com.

The details such as manner of attending the AGM through VC/OAVM and casting votes by the shareholders through Electronic Mode is set out in the notice of the AGM.

We request you to please take on record aforesaid information.

Thanking You,

Yours Faithfully,

For Lagnam Spintex Limited

Rajeev Parashar
Company Secretary
& Compliance Officer
Mem. No.: F12673



Enclosed: a/a



Lagnam Spintex

LAGNAM SPINTEX LIMITED

CIN: L17119RJ2010PLC032089

Registered Office: A 51-53, RIICO Growth Centre Hamirgarh, Bhilwara- 311001, Rajasthan, India.

Tel: +91 9461656067, **Website:** www.lagnamspintex.com, **E-mail:** rparashar@lagnam.com

NOTICE OF THE 15th ANNUAL GENERAL MEETING

To,

The Members of

LAGNAM SPINTEX LIMITED

(CIN: L17119RJ2010PLC032089)

Notice is hereby given that the 15th Annual General Meeting of the members of **LAGNAM SPINTEX LIMITED** will be held on Wednesday, the 23rd day of July, 2025 at 11:30 a.m. Indian Standard Time (IST), through Video Conferencing/Other Audio-Visual Means (VC/OAVM) facility to transact the following businesses: -

ORDINARY BUSINESS: -

Item No. 1 – Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the year 2024-25 ended 31st March 2025, together with the Report of Board of Directors and the Statutory Auditors thereon.

Item No. 2 – Re-Appointment of Sh. Shubh Mangal as a director liable to retire by rotation

To appoint Director in place of Sh. Shubh Mangal (DIN: 01287935) who is liable to retire by rotation and is being eligible, offer himself for re- appointment.

SPECIAL BUSINESS: -

Item No. 3 – Ratification of Remuneration of Cost Auditors for the Financial Year 2025-26: -

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the payment of the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses, to M/s. N. D. Birla & Co., Cost Accountants (Firm Reg. No. 000028) who were appointed by the Board of Directors of the Company as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for financial year ending 31st March, 2026, be and is hereby ratified and approved.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 4 - To consider and approve the continuation of remuneration to Mr. Anand Mangal, Managing Director (DIN: 03113542) of the company, for the period from 01.04.2026 to 31.03.2028, of his current tenure of appointment; -

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

"RESOLVED THAT pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, as may be required in this regard, the consent of the shareholders be and is hereby accorded for continuation of the payment of remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 to Mr. Anand Mangal, Managing Director of the Company for a period w.e.f. 01.04.2026 to 31.03.2028 of his present tenure of the appointment on the terms and conditions notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

"RESOLVED FURTHER THAT he shall be entitled for a basic salary of Rs. 5,20,000/- (Rupees Five Lacs Twenty Thousand Only) per month with an annual increase of Rs. 40,000/- (Rupees Forty Thousand) till the remaining period of the appointment from 01.04.2026 to 31.03.2028."

"RESOLVED FURTHER THAT all other allowances, perquisites, commission and other benefits shall remain same as per the original term of appointment till expiry of his tenure which is as under:

Commission: 1% of the net profits of the Company as computed in the manner laid down in applicable provisions of the Companies Act, 2013.

Perquisites: In addition to the aforesaid salary, Mr. Anand Mangal shall also be entitled to such emoluments, benefits, perquisites as described below, as per Rules of the Company: -

The perquisites are classified into following three categories A, B and C: -

PART-A

Perquisites as per the Section IV of the Schedule V of the Companies Act, 2013 as provided below:

- (i) Gratuity not exceeding half a month salary for each completed year of service.
 - (ii) Contribution to the provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961
 - (iii) Encashment of leave at the end of the tenure.
- (Above these benefits shall not be included in the computation of ceiling on remuneration above.)

PART-B

- (i) **Housing**- Rent free accommodation provided by the company. The expenditure incurred by the company on Gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962.
- (ii) **Medical Reimbursement**- Expenses incurred in India or abroad including hospitalization, nursing, home and surgical charges for himself and family paid on actual basis.

- (iii) **Leave travel concession-** For self and his family, once in a year incurred in accordance with rules specified by the Company.
- (iv) **Club Fees-** Fees of clubs subject to the maximum of two clubs.
- (v) **Personal Accident & Mediclaim Insurance-** Reimbursement of Medical Insurance Premium on actual basis.

PART – C

- (i) **Company Car-** Use of Company car with chauffeur for official purpose, such use will not be considered a perquisite.
- (ii) **Residential Telephone & Mobile-** Use of Residential Telephone for Company's business, such & Mobile use will not be considered as a perquisite.
- (iii) **Company PC / Laptop- PC/ Laptop** shall be provided for the purpose of Company's business and their maintenance & running expenses will be met by the Company. Such facility will not be considered as perquisites.

REIMBURSEMENT OF EXPENSES: Apart from the remuneration as aforesaid Mr. Anand Mangal shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in discharge of his duties efficiently in connection with the business of the company.

MINIMUM REMUNERATION:

"RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, be paid as minimum remuneration to Mr. Anand Mangal, Managing Director of the Company."

SITTING FEES:

No sitting fees shall be paid to Mr. Anand Mangal for attending the meetings of Board of Directors or any committee thereof of the company.

Termination of Appointment - The appointment may be terminated by either party giving 3 months' prior notice

RETIRE BY ROTATION:

Mr. Anand Mangal shall not be liable to retire by rotation.

"RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e)(i)&(ii) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable provisions of the companies Act 2013, the consent of the members be and is hereby accorded for continuation of payment of remuneration as per existing terms and conditions and during the remaining term of appointment i.e. from 01.04.2026 to 31.03.2028 to Mr. Anand Mangal, Managing Director, notwithstanding that his annual remuneration exceeds 2.5% of the net profit and Rs. 5.00 Cr. which is higher or aggregate Annual remuneration of the all executive directors exceeds 5.00% of the Net profits of the company calculated as per the provision of Section 198 of the Companies Act, 2013.

"RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, be paid as minimum remuneration to Mr. Anand Mangal, Managing Director of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all steps as may be necessary, proper, and expedient to give effect to the forgoing resolution.

Item No. 5 - To consider and approve the continuation of remuneration to Mr. Shubh Mangal, Executive Director (DIN: 01287935) of the company, for the period from 21.02.2026 to 20.02.2028, of his current tenure of appointment; -

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

"RESOLVED THAT pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") including any statutory amendments, modifications or re-enactment thereof and subject to such other requisite approvals, as may be required in this regard, the consent of the shareholders be and is hereby accorded for continuation of the payment of remuneration within the maximum permissible remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 to Mr. Shubh Mangal, Executive Director of the Company for a period w.e.f. 21.02.2026 to 20.02.2028 of his present tenure of the appointment on the terms and conditions notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits.

"RESOLVED FURTHER THAT he shall be entitled for a basic salary of Rs. 5,20,000/- (Rupees Five Lacs Twenty Thousand Only) per month with an annual increase of Rs. 40,000/- (Rupees Forty Thousand) till the remaining period of the appointment from 21.02.2026 to 20.02.2028."

"RESOLVED FURTHER THAT all other allowances, perquisites, commission and other benefits shall remain same as per the original term of appointment till expiry of his tenure which is as under:

Commission: 1% of the net profits of the Company as computed in the manner laid down in applicable provisions of the Companies Act, 2013.

Perquisites: In addition to the aforesaid salary, Mr. Shubh Mangal shall also be entitled to such emoluments, benefits, perquisites as described below, as per Rules of the Company: -

The perquisites are classified into following three categories A, B and C: -

PART-A

Perquisites as per the Section IV of the Schedule V of the Companies Act, 2013 as provided below:

- (iv) Gratuity not exceeding half a month salary for each completed year of service.
 - (v) Contribution to the provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961
 - (vi) Encashment of leave at the end of the tenure.
- (Above these benefits shall not be included in the computation of ceiling on remuneration above.)

PART-B

- (vi) **Housing-** Rent free accommodation provided by the company. The expenditure incurred by the company on Gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962.

- (vii) **Medical Reimbursement-** Expenses incurred in India or abroad including hospitalization, nursing, home and surgical charges for himself and family paid on actual basis.
- (viii) **Leave travel concession-** For self and his family, once in a year incurred in accordance with rules specified by the Company.
- (ix) **Club Fees-** Fees of clubs subject to the maximum of two clubs.
- (x) **Personal Accident & Mediclaim Insurance-** Reimbursement of Medical Insurance Premium on actual basis.

PART – C

- (iv) **Company Car-** Use of Company car with chauffeur for official purpose, such use will not be considered a perquisite.
- (v) **Residential Telephone & Mobile-** Use of Residential Telephone for Company's business, such & Mobile use will not be considered as a perquisite.
- (vi) **Company PC / Laptop- PC/ Laptop** shall be provided for the purpose of Company's business and their maintenance & running expenses will be met by the Company. Such facility will not be considered as perquisites.

REIMBURSEMENT OF EXPENSES: Apart from the remuneration as aforesaid Mr. Shubh Mangal shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in discharge of his duties efficiently in connection with the business of the company.

MINIMUM REMUNERATION:

"RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, be paid as minimum remuneration to Mr. Shubh Mangal, Executive Director of the Company."

SITTING FEES:

No sitting fees shall be paid to Mr. Shubh Mangal for attending the meetings of Board of Directors or any committee thereof of the company.

Termination of Appointment - The appointment may be terminated by either party giving 3 months' prior notice

RETIRE BY ROTATION:

Mr. Shubh Mangal shall be liable to retire by rotation.

"RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e)(i)&(ii) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable provisions of the companies Act 2013, the consent of the members be and is hereby accorded for continuation of payment of remuneration as per existing terms and conditions and during the remaining term of appointment i.e. from 21.02.2026 to 20.02.2028 to Mr. Shubh Mangal, Executive Director, notwithstanding that his annual remuneration exceeds 2.5% of the net profit and Rs. 5.00 Cr. which is higher or aggregate Annual remuneration of the all executive directors exceeds 5.00% of the Net profits of the company calculated as per the provision of Section 198 of the

Companies Act, 2013.

"RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, be paid as minimum remuneration to Mr. Shubh Mangal, Executive Director of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all steps as may be necessary, proper, and expedient to give effect to the forgoing resolution.

Item No. 6 - To appoint Secretarial Auditors of the Company: -

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

"RESOLVED THAT pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), other applicable laws/statutory provisions, if any, as amended from time to time, M/s Sanjay Somani & Associates, Company Secretaries, (FCS No. 6958, CP No. 5270, Peer Review No. 835/2020), Bhilwara be and is hereby appointed as Secretarial Auditors of the Company for a term of 5 (Five) consecutive years commencing from financial year 2025-26 till financial year 2029-30 ,at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Dated: 16.04.2025

Place: Bhilwara

**By order of the Board of Directors
For Lagnam Spintex Limited**



**Rajeev Parashar
Company Secretary &
Compliance Officer
M. No.: F12673**

Notes: -

1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold EGM/AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, EGM/AGM shall be conducted through VC / OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules framed there under, in respect of the Special Business under Item Nos. 3 to 6 of the accompanying Notice are annexed hereto.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting

on the date of the AGM will be provided by NSDL.

8. Pursuant to Finance Act 2021, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2021 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2021 and amendments thereof. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) under the link <https://www.bigshareonline.com/InvestorRegistration.aspx> and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received does not exceed Rs. 5000/-. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.lagnamspintex.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars issued from time to time.
11. Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking appointment / re-appointment at the AGM is provided under a separate heading, which forms part of this Notice.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on at 19.07.2025 at 9:00 A.M. and ends on 22.07.2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. 16.07.2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16.07.2025.

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

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

Step 1: Access to NSDL e-Voting system





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

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

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

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| Type of shareholders | Login Method |
|--|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL.</p> | <ol style="list-style-type: none"> 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL forcasting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL MobileApp "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. |

| | |
|--|---|
| | <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****. |

c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company
For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to somanics@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rparashar@lagnam.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (selfattested scanned copy of Aadhar Card) to rparashar@lagnam.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

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

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance at least 7 days prior to the meeting mentioning their name, demat account number, email id, mobile number and no. of shares held at rparashar@lagnam.com. The same will be replied by the company suitably.

OTHER INSTRUCTIONS:

1. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 16.07.2025, are entitled to vote on the Resolutions set forth in this Notice.

2. The remote e-voting period will commence on 19.07.2025 at 9:00 A.M. and ends on 22.07.2025 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 16.07.2025, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 16.07.2025.
4. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
5. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting.
6. M/s. Sanjay Somani & Associates, Practicing Company Secretaries, Bhilwara has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Scrutinizer shall, immediately after the conclusion of e-voting at Annual General Meeting, download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within two working days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing.
8. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of NSDL and also be immediately forwarded to NSE, Mumbai.
9. All the Statutory Registers and Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Regd. office of the Company on all working days, during business hours up to the date of the Meeting.
10. The Ministry of Corporate Affairs (MCA), Government of India has introduced 'Green Initiative in Corporate Governance' by allowing paperless compliance by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed thereunder.
11. The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 124 of the Companies Act, 2013, during the current Financial Year is not applicable.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.

13. Members who have not registered their email IDs are requested to register their email IDs with the Company's Share Registrars and Transfer Agents.
14. Members are requested to notify the change in their address to the company and always quote their folio number in all correspondence with the company.
15. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2025 has been uploaded on the Company's website www.lagnamspintex.com and may be accessed by the members and also on the website of the National Stock Exchange of India Ltd. www.nseindia.com.
16. Electronic copy of the Notice and the Annual Report for 2024-25 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 3

The Board of Directors at its meeting held on 16.04.2025, on the recommendation of the Audit Committee, approved the appointment of M/s. N. D. Birla & Co., Cost Accountants (Firm Registration Number 000028), to conduct the audit of the Cost records of the Company for the Financial Year ending 31st March, 2026 at a remuneration of ₹50,000/- (Rupees Fifty Thousand Only) excluding all applicable taxes and reimbursement of out of pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditors, is required to be ratified by the members of the Company.

Accordingly, consent of the members is to be sought by passing an Ordinary Resolution as set out at Item No. 3 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2026.

The Board recommends the matter and the resolution set out under Item No. 3 for the approval of the Members by way of passing Ordinary Resolution.

None of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

Item No. 4

Mr. Anand Mangal [DIN: 03113542] is presently designated as Managing Director of the Company. Mr. Anand Mangal had been re-appointed as the Managing Director of the Company for a term starting w.e.f. 01.04.2023 to 31.03.2028 in the Annual General Meeting held on 28th June, 2022 and has been drawing the minimum remuneration of Rs. 4.00 Lacs per month with an annual increase of Rs. 0.40 Lac for a period of 3 (Three) years w.e.f. 01.04.2023 as per the Section II of Part II of Schedule V of the Companies Act, 2013 in reference to the shareholder's approval granted in the Annual General Meeting held on 28th June, 2022.

The Board of Directors of the Company in its meeting held on 16th April, 2025 approved the payment of basic salary of Rs. 5,20,000/- (Rupees Five Lac Twenty Thousand Only) per month with an annual increase of Rs. 40,000/- (Rupees Forty Thousand) to Mr. Anand Mangal, Managing Director till the remaining period of the appointment from 01.04.2026 to 31.03.2028 of his tenure w.e.f. 01.04.2026 as recommended by the Nomination and Remuneration Committee in its meeting held on 16th April, 2025 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013. In the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, be paid as minimum remuneration to Mr. Anand Mangal, Managing Director of the Company.

Further as required under regulation 17(6)(e)(i)&(ii) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable provisions of the companies Act 2013 and as per the recommendation of Nomination and remuneration committee and the board of Directors of the Company, the consent of the members are also required to be accorded to the continuation of payment of remuneration as per existing terms and conditions during the Term re-Appointment i.e. up to 31st March 2028 to Mr. Anand Mangal, Managing Director, notwithstanding that his annual remuneration exceeds 2.5% of the net profit and Rs. 5.00 Cr. which is higher or aggregate Annual remuneration of the all executive directors exceeds 5.00% of the Net profits of the company calculated as per the provision of Section 198 of the Companies Act, 2013.

Save and except Sh. Anand Mangal, being appointee, Sh. D. P. Mangal and Sh. Shubh Mangal, being relatives of the appointee and their relatives to the extent of their shareholding in the Company are interest in this Resolution, none of the other Directors/Key Managerial Personnel (KMP) of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the notice.

The Board of Directors recommends the Special Resolution as set out at item no. 4 of the Notice for approval by the shareholders.

Item No. 5

Mr. Shubh Mangal [DIN: 01287935] is presently designated as Executive Director of the Company. Mr. Shubh Mangal had been re-appointed as the Executive Director of the Company for a term starting w.e.f. 21.02.2023 to 20.02.2028 in the Annual General Meeting held on 28th June, 2022 and has been drawing the minimum remuneration of Rs. 4.00 Lacs per month with an annual increase of Rs. 0.40 Lac for a period of 3 (Three) years w.e.f. 21.02.2023 as per the Section II of Part II of Schedule V of the Companies Act, 2013 in reference to the shareholder's approval granted in the Annual General Meeting held on 28th June, 2022.

The Board of Directors of the Company in its meeting held on 16th April, 2025 approved the payment of basic salary of Rs. 5,20,000/- (Rupees Five Lac Twenty Thousand Only) per month with an annual increase of Rs. 40,000/- (Rupees Forty Thousand) to Mr. Shubh Mangal, Executive Director till the remaining period of the appointment from 21.02.2026 to 20.02.2028 of his tenure w.e.f. 21.02.2026 as recommended by the Nomination and Remuneration Committee in its meeting held on 16th April, 2025 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013. In the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, be paid as minimum remuneration to Mr. Shubh Mangal, Executive Director of the Company.

Further as required under regulation 17(6)(e)(i)&(ii) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable provisions of the companies Act 2013 and as per the recommendation of Nomination and remuneration committee and the board of Directors of the Company, the consent of the members are also required to be accorded to the continuation of payment of remuneration as per existing terms and conditions during the Term re-Appointment i.e. up to 20th February 2028 to Mr. Shubh Mangal, Executive Director, notwithstanding that his annual remuneration exceeds 2.5% of the net profit and Rs. 5.00 Cr. which is higher or aggregate Annual remuneration of the all executive directors exceeds 5.00% of the Net profits of the company calculated as per the provision of Section 198 of the Companies Act, 2013.

Save and except Sh. Shubh Mangal, being appointee, Sh. D. P. Mangal and Sh. Anand Mangal, being relatives of the appointee and their relatives to the extent of their shareholding in the Company are interest in this Resolution, none of the other Directors/Key Managerial Personnel (KMP) of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the notice.

The Board of Directors recommends the Special Resolution as set out at item no. 5 of the Notice for approval by the shareholders.

Item No. 6

The Board at its meeting held on June 28, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of M/s Sanjay Somani & Associates, Company Secretaries, (FCS No. 6958, CP No. 5270, Peer Review No. 835/2020), Bhilwara as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members.

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

M/s Sanjay Somani & Associates, Practicing Company Secretaries is a Bhilwara (Raj.) based firm. It is registered with the Institute of Company Secretaries of India (ICSI). The firm is a blend of experienced professionals in the area of corporate practice. Mr. Sanjay Somani is the proprietor of Sanjay Somani & Associates. He has vast professional experience of 26 years. He is competent and efficient in Regulatory Compliances, Secretarial Compliances, Corporate Advisory Services, Corporate Regulatory Compliances, Capital Market & Securities Laws, Mergers & Acquisitions, Registrations & licensing under Intellectual Property Rights, Corporate Litigation and Company related matters. He has brief and in-depth knowledge of all corporate laws and listing regulations of SEBI.

M/s Sanjay Somani & Associates, has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations. The proposed fees in connection with the secretarial audit shall be Rs. 75,000/- (Rupees Seventy-Five Thousand only) plus applicable taxes and other out-of-pocket expenses for FY 2026, and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and M/s Sanjay Somani & Associates. In addition to the secretarial audit, M/s Sanjay Somani & Associates shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 6 of this Notice.

Dated : 16.04.2025

Place : Bhilwara


**By order of the Board of Directors
For Lagnam Spintex Limited**



**Rajeev Parashar
Company Secretary &
Compliance Officer
M. No.: F12673**


Annexure to the Item No. 2 of the Notice

BRIEF RESUME OF THE DIRECTOR(S) SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 15th ANNUAL GENERAL MEETING TO BE HELD ON 23.07.2025.

| | |
|---|---|
| Name | Mr. Shubh Mangal |
| DIN | 01287935 |
| Date of Birth | 19.10.1977 |
| Date of appointment on the Board | 21.02.2020 |
| Qualifications | MSMIS and B. Com (Hons.) |
| Brief Profile & Expertise in specific functional areas  | Mr. Shubh Mangal aged about 47 years is Whole-time Director of the Company. He has over 18 years of experience with Micro Strategy products. Armed with a Masters degree in Management Information Systems and many years of experience working with the US clients, he has picked up a rich mix of technical and management skills in the industry. Every project that he is part of is always successful and exceeds clients' expectations. His responsibilities rely heavily on the ability to adapt and deliver and this has given him a tremendous exposure to the dynamics of managing projects in new environments pace. |
| Area of expertise, skills and capabilities | Information Technology, Human Resources Business Management, programming & Administration |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | Directorship in other public Companies: NIL |
| Chairman / Member of the Committees of the Board of Directors of Lagnam Spintex Limited | NIL |
| Memberships/ Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholder Grievances Committee) | Chairmanship in other Companies: NIL Membership in Other Companies: NIL |
| Listed entities from which Mr. Shubh Mangal has resigned in the past three years | NIL |
| Number of equity shares held | 1395000 Equity Shares |
| Relationships with other Directors, Manager and other Key Managerial personnel | Son of Mr. D. P. Mangal, Executive Chairman and brother of Mr. Anand Mangal, Managing Director of the Company |
| Details of last remuneration drawn (F.Y. 2024-25) | Rs. 68.15 Lacs (Including all benefits as approved) |
| Number of meetings of the Board attend during the financial year 2024-25 | 05 (five) out of 05 (five) meetings held |


Annexure to the Item No. 4 of the Notice

BRIEF RESUME OF THE DIRECTOR(S) SEEKING CONTINUATION OF REMUNERATION AT THE 15TH ANNUAL GENERAL MEETING TO BE HELD ON 23.07.2025.

| | |
|---|---|
| Name | Mr. Anand Mangal |
| DIN | 03113542 |
| Date of Birth | 14.10.1982 |
| Date of appointment on the Board | 12.06.2010 |
| Qualifications | BSC (Honors) in Business & Management Studies |
| Brief Profile & Expertise in specific functional areas  | Mr. Anand Mangal aged 43 years is promoter Managing Director of the Company. He has vast experience of 10 years in the field of business administration & Sales & Marketing. He is a proven influencer & negotiator and has pragmatic approach of getting the required results. He guides his employees in achieving targets in a dynamic and complex business environment. He looks at the production, marketing, purchase and administration department of the company. He also represents the company to negotiate deals with international customers and it is mainly because of him that the exports of the company have been growing at a rapid pace. |
| Area of expertise, skills and capabilities | Textile Technical Operations, Finance, Taxation, Business Management, Sales Marketing & Administration |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | NIL |
| Chairman / Member of the Committees of the Board of Directors of Lagnam Spintex Limited | Member – Stakeholders’ Relationship Committee |
| Memberships/ Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholder Grievances Committee) | Chairmanship in other Companies: NIL Membership in Other Companies: NIL |
| Listed entities from which Mr. Anand Mangal has resigned in the past three years | NIL |
| Number of equity shares held | 2222750 Equity Shares |
| Relationships with other Directors, Manager and other Key Managerial personnel | Son of Mr. D. P. Mangal, Chairman & Whole-time Director and brother of Mr. Shubh Mangal, Whole-time Director of the Company |
| Details of last remuneration drawn (F.Y. 2024-25) | Rs. 62.34 lacs (including all benefits as approved) |
| Number of meetings of the Board attend during the financial year 2024-25 | 05 (Five) out of 05 (Five) Meetings held |

Annexure to the Item No. 5 of the Notice

BRIEF RESUME OF THE DIRECTOR(S) SEEKING CONTINUATION OF REMUNERATION AT THE 15TH ANNUAL GENERAL MEETING TO BE HELD ON 23.07.2025.

| | |
|---|---|
| Name | Mr. Shubh Mangal |
| DIN | 01287935 |
| Date of Birth | 19.10.1977 |
| Date of appointment on the Board | 21.02.2020 |
| Qualifications | MSMIS and B. Com (Hons.) |
| Brief Profile & Expertise in specific functional areas  | Mr. Shubh Mangal aged about 47 years is Whole-time Director of the Company. He has over 18 years of experience with Micro Strategy products. Armed with a Masters degree in Management Information Systems and many years of experience working with the US clients, he has picked up a rich mix of technical and management skills in the industry. Every project that he is part of is always successful and exceeds clients' expectations. His responsibilities rely heavily on the ability to adapt and deliver and this has given him a tremendous exposure to the dynamics of managing projects in new environments pace. |
| Area of expertise, skills and capabilities | Information Technology, Human Resources Business Management, programming & Administration |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | Directorship in other public Companies: NIL |
| Chairman / Member of the Committees of the Board of Directors of Lagnam Spintex Limited | NIL |
| Memberships/ Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholder Grievances Committee) | Chairmanship in other Companies: NIL Membership in Other Companies: NIL |
| Listed entities from which Mr. Shubh Mangal has resigned in the past three years | NIL |
| Number of equity shares held | 1395000 Equity Shares |
| Relationships with other Directors, Manager and other Key Managerial personnel | Son of Mr. D. P. Mangal, Executive Chairman and brother of Mr. Anand Mangal, Managing Director of the Company |
| Details of last remuneration drawn (F.Y. 2024-25) | Rs. 68.15 Lacs (Including all benefits as approved) |
| Number of meetings of the Board attend during the financial year 2024-25 | 05 (five) out of 05 (five) meetings held |



THE STRENGTH WITHIN

ANNUAL REPORT

2024 - 25

FINANCIAL HIGHLIGHTS

| DESCRIPTION | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Turnover | 3646 | 4188 | 4946 | 5617 | 7503 | 8391 | 8040 | 17644 | 20523 | 34844 | 30466 | 43750 | 60556 |
| Export | - | 157 | 307 | 556 | 713 | 1607 | 1653 | 6353 | 10417 | 20124 | 13564 | 20463 | 28014 |
| PBIDT | 490 | 592 | 646 | 899 | 1169 | 1119 | 1177 | 1585 | 2632 | 5894 | 3103 | 4537 | 6568 |
| Interest | 289 | 281 | 333 | 396 | 339 | 285 | 271 | 931 | 1188 | 1088 | 1098 | 1526 | 3098 |
| PBDT | 201 | 311 | 312 | 504 | 829 | 834 | 906 | 654 | 1444 | 4807 | 2005 | 3010 | 3469 |
| Depreciation | 132 | 137 | 136 | 192 | 260 | 261 | 262 | 594 | 755 | 753 | 733 | 929 | 1679 |
| P B T | 68 | 174 | 176 | 312 | 569 | 573 | 644 | 60 | 689 | 4054 | 1272 | 2082 | 1790 |
| TAX | 21 | 54 | 55 | 77 | 150 | 102 | 166 | -52 | 241 | 1174 | 296 | 625 | 505 |
| PAT | 47 | 120 | 121 | 235 | 419 | 471 | 478 | 112 | 447 | 2880 | 976 | 1457 | 1285 |
| EPS (IN ₹) | 2.87 | 6.52 | 5.95 | 11.51 | 3.74* | 4.17** | 3.20® | 0.64 | 2.53 | 16.30 | 5.53 | 8.25 | 7.28 |
| Equity | 164 | 184 | 204 | 204 | 204 | 1167 | 1767 | 1767 | 1767 | 1767 | 1767 | 1767 | 1767 |
| Total Capital Employed | 3780 | 4041 | 5223 | 6836 | 6656 | 7587 | 17699 | 21357 | 23479 | 26832 | 29707 | 51200 | 53971 |
| Net Worth | 977 | 1197 | 1418 | 1653 | 2072 | 2644 | 5322 | 5434 | 5828 | 8536 | 9429 | 10895 | 12087 |
| Long Term Loans | 2065 | 1950 | 2885 | 3676 | 3257 | 2741 | 9682 | 10762 | 12324 | 10862 | 9734 | 23366 | 20164 |
| Working Capital Loans | 566 | 683 | 669 | 1097 | 969 | 1742 | 2070 | 4588 | 2954 | 3357 | 6008 | 11629 | 15265 |
| Other Liability | 225 | 296 | 365 | 604 | 889 | 1244 | 1816 | 3390 | 3772 | 5234 | 5945 | 7460 | 9508 |
| Total Liability (3+4+5) | 2855 | 2928 | 3919 | 5377 | 5115 | 5727 | 13568 | 18740 | 19050 | 19453 | 21688 | 42454 | 44937 |
| Fixed Assets (Net) | 2676 | 2529 | 4077 | 5076 | 4870 | 5290 | 13233 | 15806 | 14939 | 14447 | 16252 | 35376 | 34029 |
| Total Current Assets | 1131 | 1263 | 1449 | 1714 | 2228 | 3002 | 5482 | 8329 | 9835 | 12542 | 13463 | 17871 | 22910 |
| Total Current Liabilities | 782 | 951 | 987 | 1553 | 1480 | 2499 | 3226 | 7361 | 5845 | 6561 | 9969 | 16434 | 21557 |
| Operating Profit Margin % | 13.43 | 14.13 | 13.05 | 16.01 | 15.57 | 13.33 | 14.64 | 8.98 | 12.82 | 16.92 | 10.19 | 10.37 | 10.85 |
| Return on Capital Employed % (PBIT/ Capital Emp.) | 9.46 | 11.26 | 9.75 | 10.34 | 13.65 | 11.30 | 5.17 | 4.64 | 7.99 | 19.16 | 7.98 | 7.05 | 9.06 |
| Return on Sales% (PAT/ Turnover) | 1.29 | 2.86 | 2.45 | 4.18 | 5.59 | 5.61 | 5.95 | 0.64 | 2.18 | 8.26 | 3.20 | 3.33 | 2.12 |
| Return on Net worth % | 4.82 | 10.02 | 8.55 | 14.20 | 20.24 | 17.81 | 8.97 | 2.07 | 7.68 | 33.74 | 10.35 | 13.38 | 10.64 |
| Debt Equity Ratio | 2.11 | 1.63 | 2.03 | 2.22 | 1.57 | 1.04 | 1.82 | 1.98 | 2.11 | 1.27 | 1.03 | 2.14 | 1.67 |
| TOL/TNW | 2.92 | 2.45 | 2.76 | 3.25 | 2.47 | 2.17 | 2.55 | 3.45 | 3.27 | 2.28 | 2.30 | 3.90 | 3.72 |
| Interest Cover Ratio | 1.69 | 2.11 | 1.94 | 2.27 | 3.45 | 3.93 | 4.34 | 1.70 | 2.22 | 5.42 | 2.83 | 2.97 | 2.12 |
| Fixed Assets Cover Ratio | 1.30 | 1.30 | 1.41 | 1.38 | 1.50 | 1.93 | 1.37 | 1.47 | 1.08 | 1.11 | 1.31 | 1.35 | 1.44 |
| Current Ratio | 1.45 | 1.33 | 1.47 | 1.10 | 1.51 | 1.20 | 1.70 | 1.13 | 1.68 | 1.91 | 1.35 | 1.09 | 1.06 |

* Considering Issue of 91.71 lacs Bonus shares

** After reissue of 4.60 lacs forfeited shares ®After Public issue of 60 lacs Equity shares

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|----------------------------|------------------------|
| Mr. D. P. Mangal | : Executive Chairman |
| Mr. Anand Mangal | : Managing Director |
| Mr. Shubh Mangal | : Executive Director |
| Mr. Vijay Singh Bapna | : Independent Director |
| Mr. Jagdish Chandra Laddha | : Independent Director |
| Mr. Anil Shah | : Independent Director |
| Ms. Dipali Mathur | : Independent Director |

CHIEF FINANCIAL OFFICER

Mr. Devi Lal Mundra

COMPANY SECRETARY

Mr. Rajeev Parashar

STATUTORY AUDITORS

M/s A.L. Chechani & Co.
(Chartered Accountants)
16, Heera Panna Market, Bhilwara-311001.

COST AUDITORS

M/s N. D. Birla & Co.
(Cost Accountants)
A-3, Nirant Apartment,
Ellisbridge, Ahmedabad-380006.

SECRETARIAL AUDITORS

M/s Sanjay Somani & Associates
(Company Secretaries)
29, 1st Floor, Badal Textile Market,
Pur Road, Bhilwara-311001.

INTERNAL AUDITORS

M/s Sunil Somani & Associates .
(Chartered Accountants)
17, Heera Panna Market, Bhilwara 311001.

PLANT & REGISTERED OFFICE

Lagnam Spintex Limited
(CIN: L17119RJ2010PLC032089)
A 51-53, RIICO Growth Centre
Hamirgarh, Bhilwara-311001
Contact: +91-9116420111
Email: rparashan@lagnam.com
Website: www.lagnamspintex.com

NAME OF THE STOCK EXCHANGE

NATIONAL STOCK EXCHANGE OF INDIA LTD.

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.
Office No S6-2, 6th Floor, Pinnacle Business
Park, Next to Ahura Centre, Mahakali Caves
Road, Andheri (East) Mumbai - 400093.
Email: investor@bigshareonline.com Website:
www.bigshareonline.com

BANKERS

State Bank of India
Punjab National Bank
Bank of Baroda
HDFC Bank Ltd.
Indian Bank
Bank of Maharashtra
Union Bank of India

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Forward looking statement

Some information in this report may contain forward – looking statements. These forward looking statements are based on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases may vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or basis and actual results can be material, depending on the circumstances.



FROM THE DESK OF THE CHAIRMAN

Dear Shareholders,

It is with great pride and optimism that I present to you the 15th Annual Report on the Business and operations of your Company for the financial year 2024-25. This year has been one of resilience, transformation, and steady progress for our company amid a challenging global and domestic textile landscape. Your Company's Expansion Project for installation of 41,472 spindles of 100% Compact Cotton Yarn at the cost of ₹218.00 Crores having production capacity of about 34.35 tonnes Cotton Yarn per day was successfully commissioned on January 31st, 2024, ahead of the scheduled date of April 1st, 2024. The full impact of this commissioning is reflected in the current year's revenue, as the project became operational in the last quarter of the previous financial year 2023-24, significantly contributing to the growth in operational income.

Business Excellence

Your Company has recorded its highest-ever revenue of ₹605.56 Crores from the operations in the current year, compared to ₹437.50 Crores in the previous year, a 38% gain indicating strong progress in the operations. As per the Techno-Economic Viability (TEV) study conducted by Dun & Bradstreet, the Expansion Project's revenue for FY 2024-25 was estimated at ₹240 Crores at the time of term loan approval by the lender banks. However, due to better capacity utilization and an optimized efficiency plan, the Company has achieved a revenue of ₹321 Crores, reflecting strong operational performance and a 34% growth over the estimate.

Your Company has recorded export revenue of ₹280.14 Crores in the current fiscal year, up from ₹204.63 Crores in the previous year, a substantial leap of 37%. The Export quantum has risen to 10335 MT, compared to 7889 MT in the prior year, representing a growth of 31%. This significant surge in both revenue and volume is primarily driven by the enhanced production capacity resulting from the successful implementation of the Expansion Project in the last quarter of the previous fiscal year.

Technical Expertise

In an industry where precision, consistency, and efficiency define competitiveness, we continue to invest in advanced technologies to stay ahead. Our technological capabilities are central to maintaining the highest standards in yarn quality, optimizing production processes, and meeting evolving customer requirements.

Our state-of-the-art production units are equipped with the latest generation of machinery from leading global manufacturers. From blowroom to Packing, every stage of the process is supported by automation and real-time monitoring systems that ensure consistent quality and minimize human error.

Our People

At LAGNAM, our workforce is a blend of experienced industry professionals, technical experts, and energetic young talent. Together, they drive operational excellence, ensure product



quality, and uphold the values that define our company. In an industry that thrives on precision, discipline, and efficiency, our team consistently delivers high-performance results, even in challenging conditions. We remain committed to building a people-first workplace—one that values integrity, fosters inclusivity, and rewards performance.

Looking Ahead

Our roadmap for the coming years includes consolidation of our existing products & capacities, exploring newer markets across the geographies, enhancing value-added yarn offerings, and strengthening relationships with both domestic and international customers. We will continue investing in digitalization, skill development, and R&D to remain competitive in a dynamic marketplace. In the past 15 years since our inception, we have not only established our name and credentials in the field of "Cotton Yarn"; but more importantly, have also established a culture of delivering perfect quality and customised quantity, while being agnostic to the challenges.

I would like to thank my fellow board members, lenders, customers, vendors, employees and you—our valued shareholders—for your unwavering trust and support. Your confidence fuels our drive for excellence and long-term value creation. Together, we aim to build a stronger, sustainable future.

Warm wishes,

Sincerely,

D. P. Mangal

Executive Chairman

LAGNAM AT A GLANCE

Corporate Information:

Lagnam Spintex, founded in 2010 and EBIDTA positive since inception. The Company is an ISO 9001:2015 certified Company engaged in the business of manufacture of high quality Ring (Compact & Non-Compact) & Open end yarn for domestic and export market ranging from count Ne 4 to Ne 40 which is used in Denim, Terry Towels, Bottom Wears, Home Textiles with Industrial Fabrics etc.

The manufacturing facility of the Company is situated at A-51-53, RIICO Growth Centre, Hamirgarh of Bhilwara District in Rajasthan State and spreads over 48,000 square meters. The Company at present has an installed **capacity of 41472 spindles of Compact yarn, 25536 spindles of normal ring yarn and 1,920 rotors of open end yarn for having capacity to produce 70 tonnes per day** of high quality yarn. We have continuously expanded and modernized our facilities in line with the industry trend. Our plant is equipped with modern and automatic plant and machinery. The level of advancement determines the productivity of machines and labour, which in turn, determines the production, operating cost and profitability of Our Company. Our technical team is well equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. Technology is a crucial aspect of the cotton yarn industry.

Lagnam Spintex has been recognized as **"Three Star Export House"** by the Director General of Foreign Trade with a certificate valid from 2023 to 2028. We have also received OEKO Tex certification. We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We are one of the few cotton yarn manufacturers globally who have received certification from USTER Technologies AG. We ensure that all product manufactured is of the optimum quality for which we run our yarn through USTER's QC Machines.

The Company is presently **exporting cotton yarns** to countries like **Portugal, Spain, USA, Morocco, Belgium, Latvia, Egypt, South Korea, Greece, Argentina, Peru, Bangladesh, Indonesia, Bulgaria, Denmark, Jordan, China, Colombia, Sri Lanka and others**. We supply to customers, who are in fields like Apparel and Garment industry, Industrial fabrics, Towels, Denims, Home Furnishing etc. At present, The Company is exporting its products to countries, which are expected to grow in forthcoming times thereby offering more scope for Our Company to develop new markets and to increase our presence accordingly.

PROMOTERS AND DIRECTORS:

Mr. D. P. Mangal, Executive Chairman:

Mr. D. P. Mangal, aged 76, serves as the Promoter and Executive Chairman of the Company, overseeing its financial and operational functions. A qualified Chartered Accountant, he brings over 45 years of extensive experience in the textile industry. Mr. Mangal has held top managerial positions at prominent textile corporations, including RSWM Ltd. and JCT Limited, where he contributed to significant expansion projects at RSWM Ltd. As a key figure in the Company's leadership, he is instrumental in driving its future growth. He actively supports the Board in formulating business strategies, developing policies, planning technological upgrades, and fostering new product development initiatives.

Mr. Anand Mangal, Managing Director:

Mr. Anand Mangal, aged 42, is the Promoter and Managing Director of the Company, having served on the Board since its inception. He holds a BSc (Honors) in Business and Management Studies from the University of Bradford, UK. Mr. Mangal gained valuable experience during his tenure at ICICI Bank (June 2006–March 2011), where he managed relationships with large corporate clients and multinational corporations. Since 2011, he has been leading the Company as Managing Director, overseeing finance, marketing, and other strategic functions critical to the Company's growth and operations.

Mr. Shubh Mangal, Executive Director:

Mr. Shubh Mangal, aged 47, serves as the Executive Director of the Company. He holds a Master's degree in Management and Information Systems from Case Western Reserve University, USA. From 2001 to 2004, Mr. Mangal gained professional experience with a software company in the USA. Upon returning to India, he founded Lagnam InfoTech, a business intelligence solutions provider specializing in outsourcing services for multinational corporations worldwide. Since February 2020, he has been a Whole-Time Director, overseeing production, administration, and other key operational departments, contributing significantly to the Company's strategic and operational growth.



ABOUT US

VISION & MISSION

Lagnam Spintex Limited is dedicated to achieving excellence by developing, manufacturing, marketing, and supporting high-quality yarn products for the global textile industry, with an unwavering focus on customer satisfaction and delivering exceptional value.

We shall accomplish this by:

Mission

- Developing long term relationship with customer with an aim to be the most reliable supplier in Textile.
- To consistently deliver high-performance cotton yarns that meet the evolving quality and specification needs of global textile manufacturers.
- To continually innovate in yarn spinning technologies, improving productivity, quality, and textile performance for our customers.
- To streamline every stage of the cotton yarn supply chain — from sourcing to spinning — ensuring transparency, efficiency, and value creation.
- To invest in state-of-the-art spinning technologies and data-driven systems that ensure efficiency, sustainability, and product innovation.
- To understand and respond to the unique demands of different markets, offering customized solutions that enhance the value chain for our global clients.
- Driving innovation through advanced spinning technologies.
- To foster a safe, inclusive, and growth-oriented workplace while contributing to the socioeconomic development of our communities.
- We are committed to environmentally responsible manufacturing, using sustainable raw materials and energy-efficient processes to reduce our carbon footprint.
- We strive to represent quality, integrity, and performance in every market we serve — becoming the benchmark for excellence in cotton yarn exports.
- Empowering our workforce and contributing to the development of the communities we operate in.
- To deliver globally recognized cotton yarn by seamlessly combining:
 - High-quality product,**
 - Skilled people and**
 - Advanced technology** across the entire value chain.

PRODUCT

Our Company is engaged into production of 100% cotton yarns for both Knitting & Weaving, which are used for multiple applications such as Denim, Terry Towel, Knitting, Shirting, Sheeting, Sweaters, Socks, Weaving, Bottom wear, Home Textile, Industrial Fabric etc. We produce 70 MT/ day of various kinds of yarn as below:

- 100% Cotton Compact Ring Spun Combed Yarns from Ne 20 to Ne 40
- 100% Cotton Compact Ring Spun Carded Yarns from Ne 20 to Ne 40
- 100% Cotton Ring Spun Carded Yarns from Ne 16 to Ne 32
- 100% Cotton Ring Spun Combed Yarns from Ne 20 to Ne 40
- 100% Cotton Open End yarn from NE 6 to NE 24
- Compact Eli Twist yarn (Siro Yarn) NE 40/2 Carded & Combed
- Compact Slub yarn
- 100% Organic Cotton yarn
- BCI Certified yarn

Some of the other special products we make are:

- Yarn spun on perforated tubes / Soft package for direct Dyeing (Ring & OE)
- Low Twist, High RKM OE yarn
- Low Twist yarn in OE



TECHNOLOGY



BLOWROOM



CARDING



BREAKER DRAWER FRAME



OMEGA LAP



COMBER



FINISHER DRAWER FRAME



Lagham Spintex



SPEED FRAME



ROVING TRANSPORTATION SYSTEM



RINGFRAME



LINK CORNER



CHEESE WINDING



TFO



PREMIER MONITORING SYSTEM

MANUFACTURING UNITS





Lagnam Spintex

OUR CAPITALS

At Lagnam Spintex Limited we create value that grows, enriches and sustains. By sourcing high-quality raw material, implementing eco-friendly practices, and maintaining rigorous standards of excellence, we not only enhance our product offerings but also strengthen our relationships with customers, employees, suppliers, and the broader community. This approach generates a ripple effect of benefits for our stakeholders, underpinned by our care for flavor, the environment and our global community.



Financial Capital



Human Capital



Manufactured Capital



Intellectual Capital



Social and Relationship Capital



Natural Capital





Financial Capital

At Lagnam Spintex Limited our commitment to prudent capital allocation has propelled our growth. We prioritise maintaining a robust liquidity position, ensuring a healthy balance sheet and fostering steady free cash flow. Rigorous cost-efficiency measures and a dedicated focus on reducing debt have been instrumental in maintaining our course and delivering sustainable value to our stakeholders.

OUR KEY FOCUS AREAS

- ▶ Stable profit margin
- ▶ Sufficient working capital
- ▶ Cost optimisation
- ▶ Sound internal controls
- ▶ Safety of assets

STAKEHOLDERS IMPACTED



Investors and
shareholders



Customers



Employees



Manufactured Capital

At Lagnam Spintex Limited our state-of-the-art manufacturing facility provides us with an edge to produce high-quality products while ensuring safety at every stage of production.

Additionally, we maintain strict quality assurance from the point of procurement till the time of final consumption. Our approach to efficient supply chain management and sustainable production methods enables us to cater to diverse markets and drive growth.

OUR KEY FOCUS AREAS

- ▶ Maintenance of manufacturing facility
- ▶ Lean manufacturing
- ▶ Quality assurance
- ▶ Eco-friendly practices in production
- ▶ Digital integration
- ▶ Efficient supply management

STAKEHOLDERS IMPACTED



Investors and shareholders



Community



Employees



Supply partners



Customers



Intellectual Capital

We believe innovation is crucial for long-term profitability and market relevance. This conviction drives us to continuously enhance our production capabilities. The product technologies integrated into our ecosystem have set us apart from the competition and bolstered our brand equity. We are committed to refining our operations through in-depth market research and adopting emerging trends. This strategy ensures that we remain at the forefront of product innovation, delivering offerings that meet evolving consumer needs.

OUR KEY FOCUS AREAS

- ▶ Market research and analysis
- ▶ Product innovation
- ▶ New product development
- ▶ Enhancing technical know-how
- ▶ Digitisation

STAKEHOLDERS IMPACTED



Investors and
shareholders



Customers



Employees



Human Capital

We are committed to empowering our people to realise their full potential by ensuring equal opportunities, encouraging employee collaboration and cultivating a culture that promotes growth and overall well-being. Collaboration is at the heart of our mission to create a truly exceptional and innovative work culture at Lagnam Spintex Limited .

OUR KEY FOCUS AREAS

- ▶ Fair remuneration
- ▶ Training and development
- ▶ Succession planning and employee appreciation
- ▶ Diversity and inclusion
- ▶ Employee well-being

STAKEHOLDERS IMPACTED



Employees



Community





Social and Relationship Capital

We strongly uphold the importance of cultivating mutually beneficial relationships with stakeholders, which allows us to consistently prioritise common objectives that address the community's most critical needs. As a socially responsible organisation, we aim to enhance our approach to value creation by implementing focused initiatives that foster the comprehensive development of individuals and communities alike.

OUR KEY FOCUS AREAS

- ▶ Community engagement
- ▶ Customer engagement
- ▶ Supplier engagement

STAKEHOLDERS IMPACTED



Community



Supply partners



Customers





Stakeholder Engagement

| Group | Priorities | Engagement Mode |
|---|--|--|
|  CUSTOMERS | <ul style="list-style-type: none"> Assured quality and product pricing Regular supply and timely delivery Seamless customer service Customer satisfaction and retention | <ul style="list-style-type: none"> feedback surveys Site visits Exhibitions and events Customer feedback |
|  INVESTORS | <ul style="list-style-type: none"> Timely communication on strategy and performance Ethical business practices, compliance and good corporate governance Transparent reporting and disclosure | <ul style="list-style-type: none"> Investor & analyst meets/calls, including one-on-one or group meetings Annual General Meeting Investor presentations Integrated annual report Press releases |
|  EMPLOYEES | <ul style="list-style-type: none"> Training and development Health and safety matters Fair practices, work- life balance and timely remuneration Performance evaluation and recognition | <ul style="list-style-type: none"> Employee engagement initiatives Cultural events Training and development workshops Health initiatives Performance appraisals Grievance redressal mechanisms |
|  COMMUNITIES | <ul style="list-style-type: none"> Community welfare initiatives Environment conservation Healthcare for the underprivileged | <ul style="list-style-type: none"> Focus on health, education, livelihood and poverty alleviation Skill development and training workshop |
|  GOVERNMENT/ REGULATORY BODIES | <ul style="list-style-type: none"> Compliance with laws and regulations Timely reporting through various compliance-based forms | <ul style="list-style-type: none"> Meetings, presentation, reports and networking in different forums organised by regulatory authorities Timely regulatory filings Periodical submission of business performance Written communications |
|  VENDORS/ SUPPLIERS | <ul style="list-style-type: none"> Fair and ethical procurement & engagement practices Knowledge programmes to reduce suppliers' risks Pricing and favourable terms of payment Timely clearance Addressing supplier grievances Assured Quality | <ul style="list-style-type: none"> Phone, email or in-person engagement Suppliers' meetings, regular meetings, seminars, and workshops |

QUALITY & CONTROL

OEKO-TEX®
CONFIDENCE IN TEXTILES

STANDARD 100

14.HIN.47714 HOHENSTEIN HTTI

Tested for harmful substances.
www.oeko-tex.com/standard100



The Company is ISO 9001:2015 certified manufacturer of 100% Cotton Ring Spun yarn of Count range Ne 20s to 40s and 100% Cotton of Open End yarn of count range Ne 4s to 20s.

Company has following certifications:

- Oeko-Tex Standard 100 Certificate
- GOTS Certificate
- OCS Certificate
- BCI Certificate
- GRS Certificate
- RCS Certificate
- USTERIZED Certificate
- We were the only standalone Cotton Yarn Manufacturer in the world who has been authorised to use USTER™ Trademark. The quality can be matched to Customer's requirements with the most Advanced Technology and has "USTER LABORATORY" Equipments like HVI-1000, AFIS PRO 2, UT-5, UTR-4, CLASSIMAT-5.
- We have most advance homogenous Bale Management system and USTER VISION SHIELD with MAGIC EYE for coloured and PP contamination sorting at Blow-Room stage.
- We have PREMIER's on-line data monitoring system from Carding to TFO to collect data like actual machine efficiency, speed, breakage rate, idle spindle, slippage, rouge spindle, UKG, GSS etc. which helps to minimize quality variation and process monitoring.
- We have USTER QUANTUM-3 & QUANTUM-4 electronic yarn clearer with PP sensor at Link-Coner to enhance the quality of final yarn.
- Raw Material Testing: All raw materials are tested for fibre Length, Strength, Elongation%, MIC, RD, +B, Neps/gram, Short fibre%, Moisture%, Trash%, etc. through USTER HVI, USTER AFIS and MAG equipments. The raw material is issued only after the test results to maintain the quality parameters.
- Yarn Testing: Every lot is tested for Um%, Imperfections, Hairiness, RKM, Elongation%, Classimat, Count, Count CV%, CSP and TPI through USTER Tester-5, USTER Tensorapid-4, UTER Classimat-5 and MAG equipments at the time of start of production and repeated subsequently to ensure the quality.
- End to end monitoring from fiber to yarn: With USTER® Quality Expert Software, we ensure continuous, real-time monitoring of yarn quality – starting from raw material through to the final product – guaranteeing consistency and excellence.



OUR GLOBAL FOOTPRINT



- Portugal
- Spain
- USA
- Bangladesh
- Morocco
- Belgium
- Latvia
- Egypt
- South Korea
- Greece
- Guatemala
- India
- Argentina
- Peru
- Indonesia
- Bulgaria
- Slovenia
- Denmark
- Jordan
- China
- Colombia
- Tunisia
- Sri Lanka



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 15th Annual Report on the Business and operations of your Company along with the Audited Financial Statements for the year ended 31st March 2025:

1. FINANCIAL RESULTS: -

The Financial Results of the Company's performance for the year under review and those of the previous year are as follows-

(₹ in Lacs)

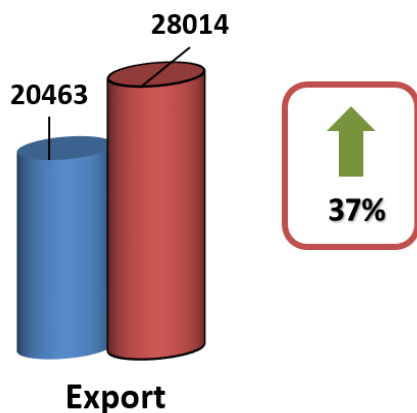
| Particulars | Year Ended 31.03.2025 | Year Ended 31.03.2024 |
|--|--------------------------|--------------------------|
| Turnover : a) Domestic | 32542.46 | 23287.09 |
| b) Export | 28014.00 | 20463.15 |
| Revenue from Operations | 60556.46 | 43750.24 |
| Other Income | 37.18 | 28.74 |
| Total Revenue | 60593.64 | 43778.98 |
| Profit before Finance Cost, Depreciation & Tax (PBIDT) | 6567.62 | 4536.60 |
| Less: Financial expenses (Net) | 3098.25 | 1526.12 |
| Profit before Depreciation & Tax (PBDT) | 3469.37 | 3010.48 |
| Less: Depreciation | 1679.24 | 928.62 |
| Profit before Tax (PBT) | 1790.13 | 2081.86 |
| Less: Current Tax (Net) | 291.70 | 343.58 |
| MAT Credit Entitlement | (291.70) | (343.58) |
| Tax of Earlier years | - | (17.72) |
| Deferred Tax | 504.66 | 642.26 |
| Profit after Tax (PAT) | 1285.47 | 1457.32 |
| Other Comprehensive Income | (5.33) | 8.94 |
| Profit available for appropriation | 1280.14 | 1466.26 |
| Earning Per Equity Share- Annualized (Basic & Diluted) | 7.28 | 8.25 |

BOARD'S REPORT (Contd.)

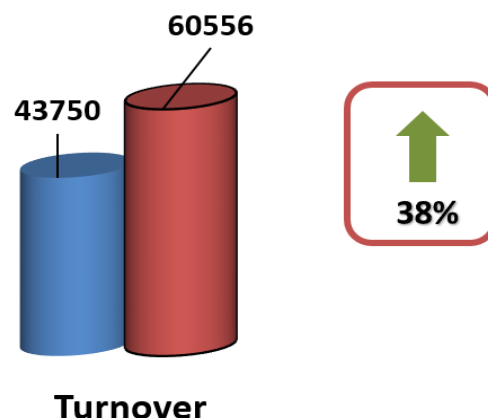
FISCAL SUMMARY: -

(₹ in Lacs)

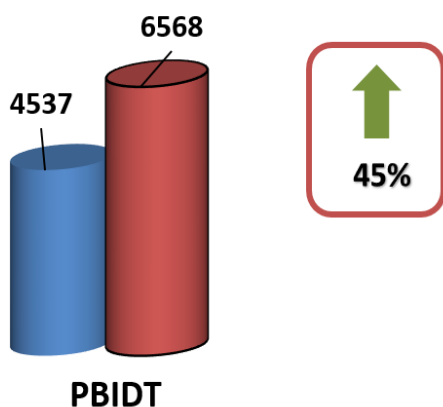
■ FY 23-24 ■ FY 24-25



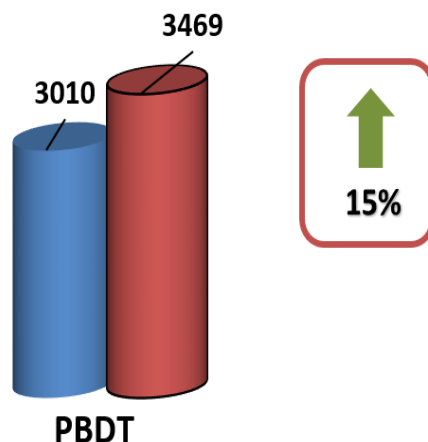
■ FY 23-24 ■ FY 24-25



■ FY 23-24 ■ FY 24-25



■ FY 23-24 ■ FY 24-25



2. OPERATIONAL PERFORMANCE & STATE OF AFFAIRS: -

REVENUE FROM OPERATIONS:

Your directors are pleased to report that, your Company has recorded its highest-ever revenue of ₹605.56 Crores from the operations in the current year, compared to ₹437.50 Crores in the previous year, a 38% gain indicating strong progress in the operations.

As per the Techno-Economic Viability (TEV) study conducted by Dun & Bradstreet, the Expansion Project's revenue for FY 2024-25 was estimated at ₹240 Crores at the time of term loan approval by the lender banks. However, due to better capacity utilization and an optimized efficiency plan, the Company has achieved a revenue of ₹321 Crores, reflecting strong operational performance and a 34%

growth over the estimate.

The increase in revenue during the year is primarily attributable to the commissioning of the Expansion Project comprising 41,472 spindles, undertaken at a cost of ₹218.00 Crores for the manufacturing of 100% Cotton Compact Yarn. The project was successfully commissioned on January 31st, 2024, ahead of the scheduled date of April 1st, 2024. The full impact of this commissioning is reflected in the current year's revenue, as the project became operational in the last quarter of the previous financial year 2023-24, significantly contributing to the growth in operational income.

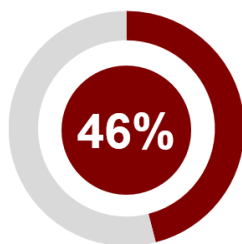
Export Snapshot:

The Company has recorded export revenue of ₹280.14 Crores in the current fiscal year,

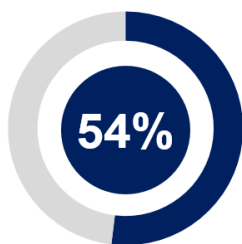


BOARD'S REPORT (Contd.)

up from ₹204.63 Crores in the previous year, marking a notable increase of 37%. The export volume has risen to 10335 MT, compared to 7889 MT in the prior year, representing a growth of 31%. This significant surge in both revenue and volume is primarily driven by the enhanced production capacity resulting from the successful implementation of the Expansion Project in the last quarter of the previous fiscal year. Exports constitute 46% of the total revenue of the Company.



Export



Domestic

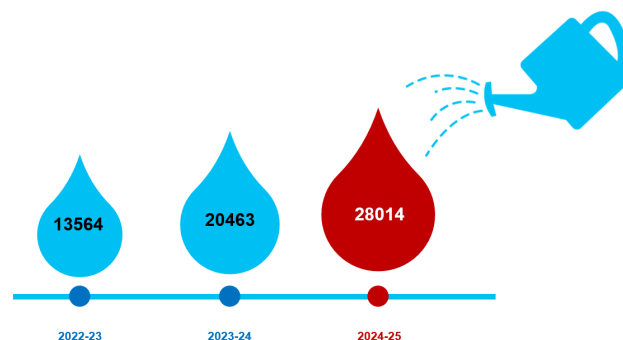
Export Growth:

In terms of revenue, your Company is increasingly focusing on expanding its presence in export markets by entering new overseas territories and diversifying its product portfolio, particularly with the introduction of "Compact Cotton Yarn". The Company's cotton yarn is widely recognized and respected in the global market for its high quality. This reputation is supported by our state-of-the-art technology, including USTER LABORATORY equipment such as HVI-1000, AFIS PRO 2, UT-5, UTR-4, and CLASSIMAT-5, ensuring that our yarn meets the highest standards and is tailored to customers' specific requirements.

The consistent quality of our yarn has been a key driver of our growth in export markets

year after year. In FY 2022-23, the Company's export revenue was ₹135.64 Crores, which increased to ₹204.63 Crores in FY 2023-24, and further rose to ₹280.14 Crores in FY 2024-25, reflecting a compound annual growth rate (CAGR) of 44%.

(Rs in Lacs)



PROFITABILITY:

The operating profit (PBIDTA) of the Company has increased to ₹65.68 Crores in the current year under review as compared to ₹45.37 Crores in the previous year, reflecting a significant growth of about 45%. As a percentage to revenue from operations, the operating profit (PBIDTA) has marginally improved from 10.37% to 10.85% in the current year.

The Cash Profit (PBDT) of the Company for the current year has increased to ₹34.69 Crores, compared to ₹30.10 Crores in the previous year, reflecting an increase of approximately 15%. However, when compared to revenue, the PBDT growth has been subdued due to higher provisions for depreciation and finance costs during the year. The finance cost has significantly increased, doubling to ₹30.98 Crores in FY 2024-25, compared to ₹15.26 Crores in the previous year, primarily due to the addition of a new term loan of ₹163.00 Crores for the expansion project.

Similarly, depreciation for FY 2024-25 has increased to ₹16.79 Crores, compared to ₹9.29 Crores in the previous year. This increase is primarily due to higher provisions for depreciation resulting from the implementation of the Expansion Project, amounted to ₹218.00 Crores.

The performance of the First quarter of the year was satisfactory. However, from the second quarter of the year due to Geopolitical

BOARD'S REPORT (Contd.)

situations, Global slowdown, and high inflation rate resulted in low demand in the market due to which the margins remains under pressure during the second and third quarter of the year. Despite the higher provision of depreciation, finance cost, high inflation and global instability during the year, your Company has reported Net Profit After Tax (PAT) of ₹12.85 Crores during the year.

3. EXPANSION PLAN: -

As the Company successfully commissioned its expansion project comprising 41,472 spindles of 100% compact cotton yarn at a cost of ₹218.00 crore in the previous year on January 31st, 2024, two months ahead of the scheduled date of April 1st, 2024, with a view to conserving resources for future business plans, no new expansion projects are currently underway. In the previous year, the expansion was executed using state-of-the-art and most modern technologies, incorporating the latest automation and digitalization systems. These advanced features significantly enhance the quality and productivity of both machinery and labor, leading to improved production efficiency, lower operating costs, and higher profitability.

4. SOLAR POWER PLANT: -

Your company has an existing rooftop solar power capacity of 5.2 MW, which significantly contributes to reducing energy costs and enhancing sustainability. We have optimized the available rooftop space by installing solar panels across all our units, ensuring maximum utilization of renewable energy resources.

5. DIVIDEND: -

To conserve the resources for the future plans and to augment the working capital of the Company, your Directors do not recommend any dividend for the financial year 2024-2025.

Previous year shareholders had approved final Dividend of ₹0.50/- per Equity Share on the fully paid-up Equity Shares of ₹10/- each for the financial year 2023-24 i.e. 5% of per equity share of ₹10/- each on recommendation of the Board of Directors.

6. TRANSFER TO RESERVES: -

During the year under review the company has not transferred any amount to the general reserves.

7. CAPITAL STRUCTURE: -

The Capital Structure of the Company as on 31.03.2025 is as follows: -

The Authorized Share Capital of the Company is ₹22,50,00,000 (Rupees Twenty-Two Crore Fifty Lakh) divided into 2,25,00,000 (Two Crore Twenty-Five Lakh) Equity Shares of ₹10/- each.

The Issued, subscribed and Paid up Share Capital of the Company is ₹17,66,90,000 (Rupees Seventeen Crore Sixty-Six Lakh Ninety Thousand) divided into 1,76,69,000 (One Crore Seventy-Six Lakh Sixty-Nine Thousand) Equity Shares of ₹10/- each.

During the year under review the Company has not issued any shares. The Company has not issued any shares with differential voting rights or sweat equity or granted stock options.

8. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR: -

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE: -

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

10. ANNUAL RETURN

Kindly Take Note that the Annual Return as required under section 92 of the Companies Act, 2013 will be made available on the Website of the Company after Conclusion of the AGM in below link: (Link: <http://www.lagnamspintex.com/Annual-return.html>)

11. CORPORATE SOCIAL RESPONSIBILITY: -

In pursuant to Section 135 of the Companies Act, 2013 read with rules framed there under a CSR Policy to ensure Social Responsibilities



BOARD'S REPORT (Contd.)

has been adopted. The CSR Policy has been uploaded on the website of the Company at following link: (<http://www.lagnamspintex.com/policies>)

In view of the profits and turnover of the company, your Company was required to undertake CSR projects during the year 2024-25 under the provisions of section 135 of the Companies Act, 2013 and the rules made thereunder. As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken various activities, which are in accordance with CSR Policy of the Company and Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed herewith as "**Annexure I**".

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO: -

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure II**".

13. RECOGNITION & CERTIFICATIONS: -

The Company has following certifications:

- **USTERIZED CERTIFICATE**
USTER TECHNOLOGIES AG of Switzerland has renewed its authorization to use the "**USTERIZED**" trademark to your company, "**A mark of quality & trust**", which is a prestigious quality authorization granted to only about 70 textiles mill in the world. In the standalone Open-end spinning segment, LAGNAM was the first to get this authorization in the world.
- **Three Star Export House Certificate**
The Company has been recognized as a "**Three Star Export House**" by the Ministry of Commerce & Industry, Government of India.
- **BCI Certificate**

- **GOTS Certificate**
- **Oeko-Tex Standard 100 Certificate**
- **ISO 9001:2015 Certificate**

AUDITORS

14. STATUTORY AUDITORS & AUDIT REPORT: -

M/s A. L. Chechani & Co. Chartered Accountants, Bhilwara (Firm Registration No. 005341C), were appointed as Statutory Auditors in place of the retiring Statutory Auditors M/s. SSMS & Associates, Chartered Accountants (Firm Registration No. 019351C) at the 14th Annual General Meeting held on 16th July, 2024 for five years till the conclusion of the Annual General Meeting to be held in the calendar year 2029. Accordingly, they have conducted Statutory Audit for the F.Y. 2024-25.

As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the auditor has confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Board is pleased to inform that there is no such observation made by the Auditors in their report which needs any explanation by the Board.

15. INTERNAL AUDITORS: -

Pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 (as amended), the Board of Directors, on the recommendations of the Audit Committee, of the Company, has appointed M/s Sunil Somani & Associates, Chartered Accountants, Bhilwara, [ICAI Firm Registration No.- 013996C], as the Internal Auditors of the Company for the financial year 2024-2025 ended 31st March 2025.

The Internal Audit Finding/s and Report/s submitted by the said Internal Auditors, during the financial year, to the Audit Committee and Board of Directors of the Company, do not contain any adverse remarks and qualifications hence do not call for any further explanation/s by the Company.

16. SECRETARIAL AUDITORS: -

The Board of Directors, on the recommendation of the Audit Committee, of the Company, has

BOARD'S REPORT (Contd.)

appointed M/s Sanjay Somani & Associates, Company Secretaries, Bhilwara, [ICSI Membership No. FCS- 6958 & Certificate of Practice No. 5270], as the Secretarial Auditors of the Company for the financial year 2024-2025.

The Secretarial Audit Report in Form No. **MR-3** submitted by the said Secretarial Auditors, do not contain any adverse remarks and qualifications, hence do not call for any further explanation/s by the Company. The Secretarial Audit Report in Form No. **MR-3** submitted by the said Secretarial Auditors, for the financial year 2024-2025 forms part of the Annual Report as "**Annexure III**" to the Board's report.

17. COST AUDITORS: -

As per the requirement of the Central Government and pursuant to section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your directors have appointed M/s N. D. Birla & Co., Cost Accountants (FRN: 000028), Ahmedabad being eligible, to conduct Cost Audit of the Company for the financial year 2024-25.

M/s N. D. Birla & Co., Cost Accountants (FRN: 000028), Ahmedabad have furnished a Certificate of their eligibility for appointment pursuant to Section 141(3)(g) and 148(5) of the Companies Act, 2013 read with the rules made there under, Certificate for independence and arms' length relationship with the Company and have confirmed about their not being disqualified for such appointment including re-appointment within the meaning of Section 141(3) of the Companies Act, 2013.

18. SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANY: -

The Company does not have any subsidiary, associate or joint venture during the financial year 2024-25 as well as at the beginning or closing of the financial year therefore the financial statement is prepared on standalone basis and the requirement for disclosure in the Form AOC-1 is not applicable. Further that the Company is an associate of Lagnam Infotech Solutions Private Limited which is holding 50,34,000 equity shares representing 28.49% of total paid up equity share capital of the Company as on 31st March, 2025.

19. BOARD OF DIRECTORS, THEIR MEETINGS & KMP(s): -

I. Constitution of the Board

The Board of directors are comprising of total 7 (Seven) Directors, which includes 4 (Four) Independent Directors including 1 (One) Woman Independent director. The Chairman of the Board is Promoter and Whole-Time Director. The Board members are highly qualified with the varied experience in the relevant field of the business activities of the Company, which plays significant roles for the business policy and decision-making process and provide guidance to the executive management to discharge their functions effectively.

II. Board Independence

Our definition of 'Independence' of Directors is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. The Company is having following independent directors:

- (i) Mr. Jagdish Chandra Laddha (DIN: 00118527)
- (ii) Mr. Vijay Singh Bapna (DIN: 02599024)
- (iii) Mr. Anil Shah (DIN: 00145396)
- (iv) Ms. Dipali Mathur (DIN: 07732611)

As per provisions of the Companies Act, 2013, Independent Directors were appointed for a term of 5 (five) consecutive years and shall not be liable to retire by rotation.

III. Declaration by the Independent Directors

All the Independent Directors have given their declaration of Independence stating that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013. Further that the Board is of the opinion that all the independent directors fulfill the criteria as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 during the year 2024-25.

IV. Directors liable to retire by rotation

In accordance with the provisions of the Companies Act, 2013 and in terms of the



BOARD'S REPORT (Contd.)

Articles of Association of the Company, Mr. Shubh Mangal (DIN: 01287935), Executive Director- Whole-Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

V. Changes in Directors and Key Managerial Personnel

There was no change in the composition of Directors and Key Managerial Personnel during the Financial Year 2024-25 However:

- Mr. D. P. Mangal (DIN: 01205208), reappointed as Executive Chairman & Whole Time Director of the Company

at the meeting of the Board of Directors held on 29.04.2024 and approved by the shareholders of the Company at the Annual General Meeting of the Company held on 16.07.2024; for a term of 5 years effective from 01.04.2025."

- Mr. Vijay Singh Bapna (DIN: 002599024), reappointed as Non-Executive Independent Director of the Company at the meeting of the Board of Directors held on 29.04.2024 and approved by the shareholders of the Company at the Annual General Meeting of the Company held on 16.07.2024; for a second term of 5 consecutive years w.e.f. 09.09.2024.

Following are the Directors and KMP(s) in the Company:

| S.N. | Name of Directors/KMP(s) | Nature of Directorship |
|------|--|--|
| 1. | Mr. Dwarka Prasad Mangal (DIN: 01205208) | Executive Chairman |
| 2. | Mr. Anand Mangal (DIN: 03113542) | Managing Director |
| 3. | Mr. Shubh Mangal (DIN: 01287935) | Executive Director |
| 4. | Mr. Vijay Singh Bapna (DIN: 02599024) | Independent Director |
| 5. | Mr. Jagdish Chandra Laddha (DIN: 00118527) | Independent Director |
| 6. | Mr. Anil Shah (DIN: 00145396) | Independent Director |
| 7. | Ms. Dipali Mathur (DIN: 07732611) | Independent Director |
| 8. | Mr. Devi Lal Mundra (PAN: AKUPM7207P) | Chief Financial Officer |
| 9. | Mr. Rajeev Parashar (PAN: BLSPP2313P) | Company Secretary & Compliance Officer |

VI. Meetings and Attendance of the Board

The Board meets at regular intervals to discuss and decide on company/business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed

notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met 5 (Five) times in the Financial Year 2024-25 viz. 29.04.2024, 03.08.2024, 11.11.2024, 08.02.2025 and 29.03.2025. The maximum interval between any two meetings did not exceed 120 days. Attendance of each director in board meeting as follows:

BOARD'S REPORT (Contd.)

| Date of Meeting | Name of the Directors | | | | | | |
|-----------------|-----------------------|------------------|------------------|-----------------------|----------------------------|---------------|-------------------|
| | Mr. D. P. Mangal | Mr. Anand Mangal | Mr. Shubh Mangal | Mr. Vijay Singh Bapna | Mr. Jagdish Chandra Laddha | Mr. Anil Shah | Ms. Dipali Mathur |
| 29.04.2024 | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 03.08.2024 | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 11.11.2024 | Yes | Yes | Yes | Yes | Yes | Yes | No |
| 08.02.2025 | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 29.03.2025 | Yes | Yes | Yes | Yes | Yes | Yes | No |

VII. Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 08th February, 2025 to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

VIII. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under section 178(3), uploaded on company's website.

(Link-<http://www.lagnamspintex.com/policies/policies>)

IX. ANNUAL EVALUATION BY THE BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of individual Directors and the Board as a whole. Based on the criteria the exercise

of evaluation was carried out through a structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings & Strategic perspectives or inputs regarding future growth of company, etc. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Director. The performance of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process.

20. COMMITTEES OF THE BOARD: -

The Company has following committees:

I. Audit Committee:

The Company has constituted Audit Committee as per requirement of section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The terms of reference of Audit Committee are broadly in accordance with the provisions of SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The Audit Committee comprises following Directors of the Company:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|----------------------------|------------------------|--------------------------|
| 1 | Mr. Jagdish Chandra Laddha | Independent Director | Chairman |
| 2 | Mr. Vijay Singh Bapna | Independent Director | Member |

**BOARD'S REPORT (Contd.)**

| | | | |
|---|------------------|----------------------|--------|
| 3 | Mr. Anil Shah | Independent Director | Member |
| 4 | Mr. D. P. Mangal | Whole-time Director | Member |

During the financial year 2024-25, the Audit Committee met 4 (four) times on 29.04.2024, 03.08.2024, 11.11.2024 and 08.02.2025.

II. Nomination and Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee in accordance with section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Nomination and Remuneration Committee comprises of the following Directors of the Company:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|----------------------------|------------------------|--------------------------|
| 1 | Mr. Jagdish Chandra Laddha | Independent Director | Chairman |
| 2 | Mr. Anil Shah | Independent Director | Member |
| 3 | Mr. Vijay Singh Bapna | Independent Director | Member |

During the financial year 2024-25, the Nomination and Remuneration Committee met on 29.04.2024.

III. Stakeholders' Relationship Committee:

The Company has constituted a Stakeholders' Relationship Committee in accordance with section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Committee considers and approves various requests regarding annual report and to redress complaints of the shareholders. The Stakeholders' Relationship Committee comprises following Directors of the Company:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|-----------------------|------------------------|--------------------------|
| 1 | Mr. Anil Shah | Independent Director | Chairman |
| 2 | Mr. Vijay Singh Bapna | Independent Director | Member |

| | | | |
|---|------------------|-------------------|--------|
| 3 | Mr. Anand Mangal | Managing Director | Member |
|---|------------------|-------------------|--------|

During the financial year 2024-25, the Stakeholders' Relationship Committee met on 08.02.2025.

IV. Corporate Social Responsibility (CSR) Committee:

The Company has constituted a CSR Committee in accordance with the provisions of section 135 of the Companies Act, 2013. The CSR Committee comprises the following Directors:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|----------------------------|------------------------|--------------------------|
| 1 | Mr. Jagdish Chandra Laddha | Independent Director | Chairman |
| 2 | Mr. D. P. Mangal | Whole-time Director | Member |
| 3 | Mr. Vijay Singh Bapna | Independent Director | Member |

During the financial year 2024-25, the Corporate Social Responsibility Committee met on 29.04.2024.

21. CORPORATE GOVERNANCE: -

As the Members are aware, the securities [Equity Shares] of the Company are migrated from SME Platform of National Stock Exchange of India Limited (NSE) namely NSE EMERGE to Main Board of National Stock Exchange of India Limited, effective 30th September 2021 (Scrip Code -LAGNAM). Therefore, provisions relating to Corporate Governance provided in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations / Listing Regulations], are applicable to the Company consequent to such migration.

Your Directors are pleased to report that your Company has duly complied with the SEBI Guidelines on Corporate Governance for the year 2024-25 relating to the Listing Regulations. A Certificate from m/s Sanjay Somani & Associates, Company Secretaries, Bhilwara, (Membership No.: FCS6958 & COP No.: 5270) confirming compliance with conditions as stipulated under Listing Regulations is annexed to the Corporate Governance Report of the Company. The Corporate Governance

BOARD'S REPORT (Contd.)

report for the financial 2024-25 attached as **Annexure-IV**.

22. RELATED PARTY TRANSACTIONS: -

All related party transactions that were entered during the financial year, were on the arm's length basis and were in the ordinary course of business and do not attract the provisions of section 188 of the Companies Act, 2013. Thus, disclosure in form AOC-2 is not required. All Related Party Transactions were placed before the Audit Committee for approval. A policy on the related party Transactions was framed & approved by the Board and posted on the Company's website at below link: (<http://www.lagnamspintex.com/policies>)

However, you may refer to Related Party transactions, as per the Accounting Standards, in the Notes forming part of financial statements.

23. INVESTORS EDUCATION AND PROTECTION FUND

During the financial year 2024-2025 ended 31st March 2025 under review, there were no amount/s which is required to be transferred to the Investor Education and Protection Fund by the Company. As such, no specific details are required to be given or provided.

24. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013: -

To prevent sexual harassment of women at work place, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013 as amended from time to time. The Company has zero tolerance for sexual harassment at workplace in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under for prevention and redressal of complaints of sexual harassment at workplace.

During the year under review, no complaints were received by the Company relating to sexual harassment at workplace. The Management of the Company endeavors to provide safe environment for the female employees of the Company.

25. RISK MANAGEMENT: -

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee. The Company has not made Risk Management Committee, but the Board of Directors and Audit Committee is looking after the Risk Management of the Company.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY: -

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (9) of the Companies Act, 2013 and the regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, The Company has adopted a Whistle-Blower Policy for Directors and employees to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. The details of the Vigil Mechanism Policy have posted on the website of the Company at following link: (<http://www.lagnamspintex.com/policies>)

27. PREVENTION OF INSIDER TRADING: -

In view of the SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The details of the Insider Trading Policy have posted on the



BOARD'S REPORT (Contd.)

website of the Company at following link:

(Link: <http://www.lagnamspintex.com/policies>)

The Code requires Trading Plan, pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. However, there were no such instances in the Company during the year 2024-25.

28. MEETINGS OF THE MEMBERS: -

During the year under review the Annual General Meeting of the Company was held on 16.07.2024. No any other meeting of the members held during the year.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORTS: -

As per Regulation 34 (e) read with schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the

management Discussion and Analysis Report of the Company for the year ended is set out in this Annual Report as "Annexure V."

30. REGISTRAR AND SHARE TRANSFER AGENT: -

The Company has appointed Bigshare Services Private Limited as its Registrar and Share Transfer Agent. The Corporate Office of Bigshare Services Pvt. Ltd. situated at "Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, Maharashtra, India.

31. DEMATERIALISATION OF SECURITIES

The Company's Equity Shares are admitted in the system of Dematerialization by both the Depositories namely NSDL and CDSL. As on 31st March 2025, all 1,76,69,000 equity shares dematerialized through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents whole 100% of the total issued, subscribed and paid-up capital of the Company as on that date. The ISIN allotted to your Company is INE548Z01017. Status of the securities as on 31.03.2025 hereunder:

| | CDSL | % | NSDL | % | TOTAL | % |
|-----------------|-----------|-------|-----------|-------|-------------|--------|
| Shares in Demat | 77,73,297 | 43.99 | 98,95,703 | 56.01 | 1,76,69,000 | 100.00 |
| Physical Shares | NIL | NIL | NIL | NIL | NIL | NIL |

32. COMPLIANCES OF SECRETARIAL STANDARDS: -

The Board of Directors confirms that the Company, has duly complied and is in compliance, with the applicable Secretarial Standard/s, namely Secretarial Standard-1 ('SS-1') on Meetings of the Board of Directors and Secretarial Standard -2 ('SS-2') on General Meetings, during the financial year 2024-2025 ended 31 March 2025.

33. HUMAN RESOURCES: -

The Company treats its "Human Resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. The Company thrust is on the promotion of talent internally through job rotation and job enlargement.

34. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN

EMPLOYEE'S REMUNERATION AND PARTICULARS OF EMPLOYEES: -

Pursuant to provision of section 197 of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of employees given in the "Annexure VI".

During the year, none of the employees received remuneration in excess of Rs. One Crore Two Lakhs or more per annum, or Rs. Eight Lakhs Fifty Thousand per month for the part of the year, in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, there is no information to disclose in terms of the provisions of the Companies Act, 2013.

35. CHANGE IN THE NATURE OF BUSINESS: -

During the year under review there is no

BOARD'S REPORT (Contd.)

change in the nature of the business and commercial activities of the company.

36. INDUSTRIAL RELATIONS: -

During the year under review your Company enjoyed cordial relationship with workers and employees at all levels.

37. DEPOSITS: -

During the financial year 2024-2025 ended 31 March 2025 under review, the Company has neither invited nor accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

As such, no specific details prescribed in Rule 8(1) of the Companies (Accounts) Rules, 2014 (as amended) are required to be given or provided.

38. CODE OF CONDUCT: -

Regulation 17(5) of the SEBI (LODR) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. The Company has adopted a Code of Conduct for all Directors and Senior Management of the Company and same is hosted on the website of the company at following link: (<http://www.lagnamspintex.com/policies>)

39. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013: -

During the financial year 2024-2025 ended 31st March, 2025 under review, the Company has neither granted loan/s (secured or unsecured), provided guarantees or securities in connection with any loan/s availed by others nor made any investments pursuant to the provisions of Section 186 the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). As such, no specific details are required to be given or provided.

40. INTERNAL FINANCIAL CONTROL FOR FINANCIAL STATEMENTS

The Company has adequate system of internal controls commensuration with the size of

its operation and business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all the business transactions are authorized, recorded and reported correctly and adequately.

The Company has appointed Internal Auditors and the scope and authority of the Internal Audit (IA) function is defined in the procedure and appointment letter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. Based on the report of internal audit and process the company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon, if any, are presented to the Audit Committee of the Board.

The Company works in a dynamic business environment and adopts the appropriate internal financial controls, to establish reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with the generally accepted accounting principles. It includes inducting and maintaining such business policies and procedures as may be required to successfully conduct the business of the company and maintain such records as to correctly record the business transaction, assets and liabilities of the company in such a way that they help in prevention & detection of frauds & errors and timely completion of the financial statements.

41. INTERNAL CONTROL SYSTEMS: -

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance, and safety of its assets.
- Compliance with applicable laws, regulations, and management policies.

42. DISCLOSURE FOR FRAUD AGAINST THE COMPANY: -

In terms of provision of section 134(3) (ca) of the Companies Act, 2013, There were no instances



BOARD'S REPORT (Contd.)

of fraud which are reported by Auditors of the Company under section 143(12) of the Companies Act, 2013 to the Audit Committee.

43. DIRECTORS' RESPONSIBILITY STATEMENT: -

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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 as at March 31st, 2025 and of the profit and loss of the company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The directors had prepared the annual accounts on a going concern basis; and
- (v) 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; and
- (vi) 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.

44. DIFFERENCE IN VALUATION: -

During the year under review there was no case of one-time settlement with financial institution so the details of difference between amount of the valuation done at the time of

one time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable to the company.

45. SUSPENSION OF TRADING: -

The equity shares of the Company have been listed and actively traded on Main Board of National Stock Exchange of India Limited. There was no occasion wherein the equity shares of the Company have been suspended for trading during the FY 2024-2025.

46. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE IBC 2016:

During the year under review no application was made further no any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the company.

47. ACKNOWLEDGEMENT: -

The Board of Directors acknowledges with gratitude for the co-operation and assistance received from National Stock Exchange of India Limited (NSE), Securities Exchange Board of India (SEBI), Auditors, Advisors & Consultants, other Intermediary service provider/s and other Investor/s for their continuous support for the working of the Company.

The Board of Directors also take this opportunity to extend its sincere thanks for co-operation and assistance received by the Company from the Central - State - Local Government and other regulatory authorities, Bankers and Members. The Directors also record their appreciation of the dedication of all the employees at all levels for their support and commitment to ensure that the Company continues to grow.

For and on Behalf of the
Board of Directors

D. P. Mangal

Executive Chairman

DIN: 0120520

Place : Bhilwara

Date : 16th April 2025

ANNEXURE-I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy:

The CSR activities of the Company are carried out directly and also through contribution/ donation made to other organisation/institution for the activities specified under Schedule VII of the Companies Act, 2013. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same has been placed at the website of the Company i.e. www.lagnampintex.com under the link "Investor Desk-----à Policies---à CSR Policy". As per CSR policy the Company endeavours to make CSR a key business process for sustainable development and continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our Company's CSR Committee believes that it is important for the organization to focus on philanthropic activities in terms of animal welfare, prevention from hunger & poverty, promotion of educational activities, empowering women, making available safe drinking water, setting up old age homes, environment protection, health care etc.

2. Composition of the CSR Committee:

| S.N. | Name of Director | Nature of Directorship | Number of meetings of CSR Committee held during the year* | Number of meetings of CSR Committee attended during the year |
|------|----------------------------|--------------------------------|---|--|
| 1. | Mr. Jagdish Chandra Laddha | Independent Director- Chairman | 1 | 1 |
| 2. | Mr. Vijay Singh Bapna | Independent Director- Member | 1 | 1 |
| 3. | Mr. D. P. Mangal | Whole Time Director- Member | 1 | 1 |

*During the financial year meeting of the CSR Committee held on 29.04.2024

3. Details of web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board:

CSR details are available under the link- <https://www.lagnampintex.com/csr>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable

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

Amount available for set off for the financial year: ₹ 0.86 Lacs

**ANNEXURE-I** (Contd.)**6. Average net profits of the Company as per Section 135(5) :**

| Financial Year | Profit (₹ in Lacs) |
|--|--------------------|
| 2023-2024 | 2081.86 |
| 2022-2023 | 1272.32 |
| 2021-2022 | 4054.28 |
| Total | 7408.46 |
| Average Profit of above said Profit | 2469.49 |

7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹ 49.39 Lacs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL
- (c) Amount required to be set off for the financial year : ₹ 0.86 Lacs
- (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 48.53 Lacs**
8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (₹ In Lacs) | Amount Unspent (in ₹) | | | | |
|--|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| Rs. 49.65 Lacs | NIL | NIL | NIL | NIL | NIL |

- (b) Details of CSR amount spent against ongoing projects for the financial year*:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|------|---------------------|--|---------------------|-------------------------|--------|------------------|---|---|--|--|---|----------------------|
| S.N. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation -Through Implementing Agency | |
| | | | | State | Distt. | | | | | | Name | CSR Registration No. |

-----N.A-----

*No CSR amount spent against ongoing projects for the financial year.

- (c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 49.65 Lacs
- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment : N.A.
- (f) Total amount spent for the Financial Year : ₹ 49.65 Lacs
- (8b+8c+8d+8e)

ANNEXURE-I (Contd.)

(g) Excess amount for set off:

| S.N. | Particular | Amount (₹ In Lacs) |
|------|---|-----------------------|
| 1 | Two percent of average net profit of the company as per section 135(5) | 49.39 |
| 2 | Total amount spent for the Financial Year (7C+8F) | 50.51 |
| 3 | Excess amount spent for the financial year [(ii)-(i)] | 1.12 |
| 4 | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| 5 | Amount available for set off in succeeding financial years[(iii)-(iv)] | 1.12 |

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

| S.N. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|------|--------------------------|--|---|---|---------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| | | | N.A. | | | | |

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

| S.N. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project Duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed /Ongoing |
|------|------------|---------------------|---|------------------|---|--|--|--|
| | | | | N.A. | | | | |

10. Details of creation or acquisition of capital asset created or acquired through CSR spent in the financial year:

No asset created or acquired through CSR spent in the financial year.

11. Reason for unspent amount (two percent of the average net profit as per section 135(5)):

Company is not carrying any unspent amount for the financial year.

For and on Behalf of the Board of Directors

For and on Behalf of the CSR Committee

D. P. Mangal
Executive Chairman
DIN: 01205208

J. C. Laddha
Chairman
CSR Committee

Date: 16th April 2025
Place: Bhilwara



ANNEXURE-II

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

In pursuant of section 134(3)(m) of the Companies Act, 2013 read together with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 2014, the relevant information is provided herein below: -

| PARTICULARS | Current Year (2024-25) | Previous Year (2023-24) |
|--|---|----------------------------|
| 1. CONSERVATION OF ENERGY | The Company is continuously striving to improve energy management by regularly monitoring energy-related parameters and has optimized the available rooftop space by installing solar panels across all units, ensuring cost reduction through maximum utilization of renewable energy resources. | |
| A: POWER & FUEL CONSUMPTION | | |
| 1. Electricity | | |
| a. Units Consumed (in Lacs) | 575.25 | 280.39 |
| Total Amount (₹ in Lacs) | 3552.63 | 1898.25 |
| Avg. Rate/Unit (Amount in ₹) | 6.18 | 6.77 |
| b. Generation | | |
| (I) Through Diesel generator | - | - |
| Unit (₹ in Lacs) | - | - |
| Unit Per ltr. of diesel oil | - | - |
| Cost / Unit (₹) | - | - |
| (II) Through HFO Generator | - | - |
| Unit (₹ in Lacs) | - | - |
| Unit Per ltr. of diesel oil | - | - |
| Cost / Unit (₹) | - | - |
| B. Consumption per unit of production | | |
| Electricity Unit per Kg. | 2.40 | 2.62 |
| 1. TECHNOLOGY ABSORPTION | The Company is consistently investing in and importing advanced processing machinery to upgrade its technology and deliver value-added products. It has been continuously enhancing the quality of existing products while also developing new ones from time to time. Last year, the Company commissioned an Expansion Project comprising 41,472 spindles for Compact Cotton Yarn, enabling it to diversify and enter a new product portfolio. | |
| Expenditure incurred on technology absorption | | |
| • Expenditure incurred on R & D (₹ in Lacs) | - | - |
| 2. FOREIGN EXCHANGE EARNINGS AND OUTGO | | |
| The details of foreign exchange earnings and outgo during the year are as under: | | |
| Earnings (₹ in Lacs) | 25879.04 | 18932.07 |
| Outgo: (₹ in Lacs) | | |
| • Capital Goods | - | 3325.36 |
| • Recurring | 683.43 | 446.71 |

For and on Behalf of the Board of Directors

D. P. Mangal
Executive Chairman
DIN: 01205208

Place : Bhilwara
Date : 16th April 2025

Annexure-III

FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

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

To,
The Members,
Lagnam Spintex Limited
A 51-53, RIICO Growth Centre Hamirgarh,
Bhilwara (Raj.)- 311001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Lagnam Spintex Limited, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, and we hereby report that in our opinion, the Company has, during the audit period for the Financial Year ended on 31st March, 2025 (1st April, 2024 to 31st March, 2025) complied with the statutory provisions, listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Lagnam Spintex Limited ("the Company") for the financial year ended on 31st March, 2025, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

However, the provisions related to Overseas Direct Investment and External Commercial Borrowings was not applicable;

- (v) (i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): –
 - (a) The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;
 - (b) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
 - (c) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report: -
 - (a) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (b) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The SEBI (Delisting of Equity Shares) Regulations, 2009; and
 - (d) The SEBI (Buyback of Securities) Regulations, 1998

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for



Annexure-III (Contd.)

compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given below:

1. The Minimum Wages Act, 1948, and rules made there under;
2. The Employees' State Insurance Act, 1948, and rules made there under;
3. The Employees' Provident Fund and Misc. Provisions Act, 1952, and rules made there under;
4. The Payment of Bonus Act, 1965, and rules made there under;
5. The Payment of Gratuity Act, 1972, and rules made there under;
6. The Factories Act, 1948 and allied State Laws;
7. The Payment of wages Act, 1936;
8. The Air (Prevention and Control of Pollution) Act, 1981;
9. The Environment (Protection) Act, 1986;
10. Equal Remuneration Act, 1976;
11. Legal Metrology Act, 2009;
12. The Water (Prevention and Control of Pollution) Act, 1974;
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is having business of manufacturing of cotton yarn therefore, as such no specific law relating to its manufacturing and business activities are applicable to the Company.

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

- (i) Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

Adequate notices were given to all directors and the committee members to schedule the Board and Committee Meetings and agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or Committee of the Board, as the case may be.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company for the applicable taxation Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, disclosure of the financial results under Regulation 33 of the SEBI (LODR) Regulations, 2015 and the annual financial statements along with notes attached therewith has not been reviewed by us, since the same have been subject to the statutory financial auditor or by other designated professionals.

We further report that during the audit period of the Company there is no change in the capital of the Company. Share Capital of the Company is as under: -

The Authorized Share Capital of the Company is ₹ 22,50,00,000 (Rupees Twenty-Two Crore Fifty Lakh) divided into 2,25,00,000 (Two Crore Twenty-Five Lakh) Equity Shares of ₹ 10/- each.

Annexure-III (Contd.)

The Issued, subscribed and Paid up Share Capital of the Company is ₹ 17,66,90,000 (Rupees Seventeen Crore Sixty-Six Lakh Ninety Thousand) divided into 1,76,69,000 (One Crore Seventy-Six Lakh Sixty-Nine Thousand) Equity Shares of ₹ 10/- each.

We further report that during the audit period no prosecutions initiated against or show cause notice received by the Company for alleged offences under the Companies Act, 2013 and also no fines and penalties or any other punishment imposed on the Company.

For Sanjay Somani & Associates
Company Secretaries

Sanjay Somani
Proprietor

Place : Bhilwara

Date : 16th April 2025

UDIN : F006958G000129696

M. No.: FCS6958

COP No.: 5270

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

Annexure - A to the Secretarial Audit Report

To,
The Members,
Lagnam Spintex Limited
A 51-53, RIICO Growth Centre Hamirgarh,
Bhilwara (Raj.)- 311001.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof, compliance of the applicable accounting standards, financial records and Books of Accounts of the company as the same is subject to the statutory audit being performed by the independent auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines, standards etc., are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We do not take any responsibility for any person if taking any commercial, financial or investment decision based on our secretarial audit report as aforesaid and they need to take independent advice or decision as per their own satisfaction.

For Sanjay Somani & Associates
Company Secretaries

Place : Bhilwara
Date : 16th April 2025
UDIN : F006958G000129696

Sanjay Somani
Proprietor
M. No.: FCS6958
COP No.: 5270

Annexure-IV

CORPORATE GOVERNANCE REPORT

Dear Members,

At LAGNAM, we believe Good corporate governance is an essential part of well-managed, successful business enterprise that delivers value to shareholders. Transparency and accountability are the two basic tenets of Corporate Governance. The core of Corporate Governance is based upon, inter-alia; the objective of maximizing the wealth of all the Stakeholders of the Company by making optimum utilization of resources at its disposal and fulfilling its obligations towards Corporate Responsibility and contributing to Nation Building to the best of its might. It also advocates the principles of transparency to be followed by the Company in all its decisions and actions; apart from furnishing full disclosures to the Board, its Shareholders and other Stakeholders.

The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. The Company is committed to adhere to high standards of the Corporate Governance Code in words and spirit. It is also constantly taking review of systems and procedures to keep pace with changing corporate environment.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Lagname Spintex Limited ("the Company" or "LAGNAM") has promoted practices, standards and resources that benefit all stakeholders comprising customers, vendors, investors, regulators, employees and the society at large.

Our Board recognizes the importance of maintaining high standards of corporate governance, which underpins our ability to deliver consistent financial performance and value to our stakeholders. In line with the above philosophy, the Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices. The Company has a strong legacy of fair, transparent and ethical governance practices and continues to make progressive actions that promote excellence within our business and the marketplace.

The Company's philosophy on Corporate Governance envisages attainment of high level of transparency, accountability and integrity in all its facets.

The Company has consistently practiced good Corporate Governance norms for the efficient conduct of its business and its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates. The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit. The Company believes that it shall go beyond adherence of regulatory frameworks in disclosing material information to the stakeholders. We believe that Corporate Governance is a journey to constantly improving sustainable value creation. The Board of Directors of the Company plays a central role in the good Corporate Governance by building up strong principles and values on which the Company operates.

Our governance framework is based on the following principles:

- Fair and equitable treatment towards stakeholders to encourage active co-operation;
- Timely and accurate disclosure of all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company;
- Board members act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders and appropriate composition and size of the Board is ensured;
- Continually reinforcing a culture across the organization of acting lawfully, ethically and responsibly;
- Continuous and on-going focus on training, development and integration of employees across all levels to achieve Company's objectives.

The Company's vision embraces challenges and provides the impetus in setting highest corporate governance standards.

Annexure-IV (Contd.)

2. BOARD OF DIRECTORS

Composition, Category and Attendance at Meetings:

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management, taxation and marketing. The Company has a balanced mix of Executive and Non-Executive Directors, the Board comprises of Seven Directors including one Woman Independent Director and composition of Board of Directors of the Company is in conformity with Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as "Listing Regulations") and applicable provisions of the Companies Act, 2013.

The Company has above 50% Non-Executive Directors, it has an Executive Chairman and the numbers of Independent Directors are above 50% of the total number of Directors. The Independent Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberation and decisions of the Board.

Number of Board Meetings:

During the financial year 2024-25, 05 (Five) meetings of the Board of Directors were held on 29.04.2024, 03.08.2024, 11.11.2024, 08.02.2025 and 29.03.2025. The frequency and intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, Listing Regulations and Secretarial Standards-1 issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings read with General Circular(s) issued by the Ministry of Corporate Affairs. The frequency of the meetings is enough for the Board to undertake its duties effectively.

The 14th Annual General Meeting of the members of the Company was held on 16.07.2024 at 11.00 a.m. through Video Conferencing/Other Audio-Visual Means (VC/OAVM) facility.

The Composition of the Board of Directors, attendance at Board & previous Annual General Meeting, number of other Directorship, Committee Membership and Chairmanship are as under:-

| Name of Directors | Category of Directorship | Board Meetings attended out of 5 Meetings | Attendance at last AGM held on 16.07.2024 | Directorship in other Companies/ LLP as on 31.03.2025 (A) | No. of Committees in which Member or Chairperson as on 31.03.2025 (B) | | Directorship in other Listed Companies as on 31.03.2025 |
|--|---------------------------|---|---|---|---|--------|---|
| | | | | | Chairman | Member | |
| Mr. D. P. Mangal | Executive Promoter | 5 | Yes | 1 | NIL | 1 | NIL |
| Mr. Anand Mangal | Executive Promoter | 5 | Yes | NIL | NIL | 1 | NIL |
| Mr. Shubh Mangal | Executive Promoter Group | 5 | Yes | 1 | NIL | NIL | NIL |
| Mr. Jagdish Chandra Laddha (DIN: 00118527) | Independent Non-Executive | 5 | Yes | 5 | 3 | 3 | 2# |
| Mr. Vijay Singh Bapna | Independent Non-Executive | 5 | Yes | 3 | 2 | 4 | 2* |
| Mr. Anil Shah | Independent Non-Executive | 5 | Yes | 4 | 1 | 2 | NIL |
| Ms. Dipali Mathur | Independent Non-Executive | 3 | Yes | 2 | Nil | Nil | NIL |

Annexure-IV (Contd.)

Mr. Jagdish Chandra Laddha is Director in other Two (2) Listed Companies namely: -

- i) Vinati Organics Limited (CIN: L24116MH1989PLC052224)
- ii) BSL Limited (CIN: L24302RJ1970PLC002266)

*Mr. Vijay Singh Bapna is Director in other Two (2) Listed Companies namely: -

- i) MMP Industries Limited (CIN: L32300MH1973PLC030813); and
- ii) Usha Martin Limited (CIN: L31400WB1986PLC091621)

(A) Directorship in other Companies meant for Companies other than Foreign Companies.

(B) Committee Membership meant for Chairman or Member of Audit Committee and Stakeholders' Relationship Committee of the Company and other companies also.

- None of the Independent Director/s have any material pecuniary relationship or transactions with the Company other than receiving Sitting Fees for attending the Board Meetings and its Committee Meeting/s of the Company.

None of the Directors of the Board serve as Members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per requirements of the Regulation 26(1) of the Listing Regulations.

As required under Regulation 17A of the Listing Regulations, none of the Independent Directors serves as an Independent Director in more than seven listed companies. No Independent & Non-Executive Directors are

holding any share in the Company and no convertible instrument has been issued by the Company.

Relationship Status:

None of the Directors are related to each other except three Executive Directors as under: Mr. D. P. Mangal, Executive Chairman (DIN: 01205208) is father of Mr. Anand Mangal, Managing Director (DIN: 03113542) & Mr. Shubh Mangal, Executive Director (DIN: 01287935) and Mr. Anand Mangal & Shubh Mangal are brothers.

All the Independent Directors have given declaration that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, the independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Independent Directors have confirmed inclusion of their names in Independent Director's data bank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required. It is hereby confirmed that in the opinion of Board, the Independent Directors fulfill the conditions specified under the "Listing Regulations" and they are independent to Management. No Independent Director has resigned during the year.

The table below summarizes the key attributes and skills matrix, identified by the Board of Directors, as required in the context of business of the Company and the name of Directors who have such skills / expertise / competence: -

| S. No. | Name of Directors | Skills / Expertise / Competence | | | | | |
|--------|--------------------------------------|---------------------------------|-------|------------|----------------------|-------------------|----------------|
| | | Finance | Legal | Management | Technical Operations | Marketing / Sales | Administration |
| 1. | Mr. D. P. Mangal, Executive Chairman | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

**Annexure-IV** (Contd.)

| | | | | | | | |
|----|--|---|---|---|---|---|---|
| 2. | Mr. Anand Mangal, Managing Director | ✓ | | ✓ | ✓ | ✓ | ✓ |
| 3. | Mr. Shubh Mangal, Executive Director | | ✓ | ✓ | ✓ | | ✓ |
| 4. | Mr. Jagdish Chandra Laddha, Independent Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Mr. Vijay Singh Bapna, Independent Director | ✓ | ✓ | ✓ | | ✓ | ✓ |
| 6. | Mr. Anil Shah, Independent Director | ✓ | ✓ | ✓ | | ✓ | ✓ |
| 7. | Ms. Dipali Mathur, Independent Director | ✓ | | ✓ | | ✓ | ✓ |

Board Meeting Procedure:

The Company's Board Meetings are governed by a structured agenda. The Board Meetings are generally scheduled well in advance and the notice of each board meeting is given in writing to each Director. The Board Meeting may be convened on short notice, with the consent of Independent Directors, for urgent matters. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. The Board papers, comprising the agenda are circulated well in advance before the meeting of the Board.

All statutory, significant and other material information as specified in Part A of Schedule-II under the regulation 17(7) of the Listing Regulations are regularly made available to the Board, wherever applicable. The Board also reviews periodically the compliances of laws applicable on the Company.

Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's

approval, all major decisions involving formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory regulatory requirements, major accounting provisions etc. are considered by the Board.

3. AUDIT COMMITTEE

Your Company has an Audit Committee constituted by the Board of Directors which acts as a link between the management, auditors and the Board and oversees the financial reporting process.

Brief Description of terms of reference:

The terms of reference of the Audit Committee are aligned with the guidelines set out in the Regulation 18 read with Part C of schedule II of the Listing Regulations and also with the provisions of Section 177 of the Companies Act, 2013. The terms of reference broadly includes approval of annual Internal Audit Plan, review of financial reporting processes, auditors' report, internal control, risk management system, Internal Financial Control and its

Annexure-IV (Contd.)

adequacy, functioning of whistle blower mechanism and governance processes, discussions and approval of quarterly, half yearly and annual financial statements/ results, recommendation for appointment, remuneration and terms of appointment of auditors, monitor related party transactions, uses and application of funds raised through issues, review of Auditors' Independence and performance and effectiveness of Audit process, appointment of CFO etc.

The Audit Committee has the following powers;

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee mandatorily reviews the following information;

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions,
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The role of the Audit Committee is not limited to but includes;

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of

the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, Quarterly / half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor 's independence, performance and effectiveness



Annexure-IV (Contd.)

of audit process.

8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements

before submission to the Board.

20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition:

The composition of the Audit committee meets the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. It comprises following directors of the Company:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|----------------------------|---------------------------|--------------------------|
| 1. | Mr. Jagdish Chandra Laddha | Independent Non-Executive | Chairman |
| 2. | Mr. Vijay Singh Bapna | Independent Non-Executive | Member |
| 3. | Mr. Anil shah | Independent Non-Executive | Member |
| 4. | Mr. D. P. Mangal | Executive Chairman (WTD) | Member |

Mr. Jagdish Chandra Laddha, Chairman of the Committee possesses high degree of accounting and financial management and technical business expertise and all other members of the committee have experience and sound accounting and financial knowledge. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 16th July, 2024.

Meetings and Attendance:

The committee met 04 (four) times during the financial year 2024-25. The dates on which Audit Committee Meetings were held are 29.04.2024, 03.08.2024, 11.11.2024 and 08.02.2025. The number of meetings attended by each committee member during the year was as under: -

Annexure-IV (Contd.)

| Name of Member | No. of Meetings attended out of 4 meetings held | Date of Meetings and attendance of the committee members | | | |
|--------------------------------------|---|--|------------|------------|------------|
| | | 29.04.2024 | 03.08.2024 | 11.11.2024 | 08.02.2025 |
| Mr. Jagdish Chandra Laddha, Chairman | 4 | Yes | Yes | Yes | Yes |
| Mr. Vijay Singh Bapna, Member | 4 | Yes | Yes | Yes | Yes |
| Mr. Anil shah, Member | 4 | Yes | Yes | Yes | Yes |
| Mr. D. P. Mangal, Member | 4 | Yes | Yes | Yes | Yes |

The Managing Director, Executive director, CFO as well as the representatives of the internal & the statutory auditors are permanent invitees to the meeting. The Company Secretary acts as secretary to the audit committee.

4. NOMINATION AND REMUNERATION COMMITTEE

Your Company has Nomination and Remuneration Committee constituted by the Board of Directors to oversee appointment, remuneration and performance evaluation of Directors, Key Managerial Personnel (KMP) & Senior Management Personnel (SMP).

Brief Description of terms of reference:

The terms of reference of Nomination and Remuneration Committee are aligned with the guidelines set out in the Regulation 19 read with Part D of Schedule II of the Listing Regulations and also with the provisions of Section 178 of the Companies Act, 2013 which broadly includes formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of performance of the Independent Directors and the Board of Directors and devising a policy on Board diversity; to Devise a policy on diversity of board of directors; 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 their appointment and removal.

Decision about extension or continuation of term of Independent Directors on the basis of report of performance evaluation and to recommend to the Board, all remuneration in whatever form, payable to senior management.

Role of the Nomination and Remuneration Committee not limited to but includes:

1. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
2. Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
3. Formulation of criteria for evaluation of performance of independent directors and Board of Directors.
4. Devising a policy on diversity of board of directors.
5. Deciding on, whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
7. Define and implement the Performance



Annexure-IV (Contd.)

Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

8. Decide the amount of Commission payable to the Whole time Director / Managing Directors.
9. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
10. To formulate and administer the Employee Stock Option Scheme.

Composition:

The composition of the Nomination and Remuneration Committee meets the requirements of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. It comprises following directors of the Company:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|----------------------------|---------------------------|--------------------------|
| 1. | Mr. Jagdish Chandra Laddha | Independent Non-Executive | Chairman |
| 2. | Mr. Vijay Singh Bapna | Independent Non-Executive | Member |
| 3. | Mr. Anil shah | Independent Non-Executive | Member |

During the financial year 2024-25, one meeting of the Committee was held on 29.04.2024. The number of meetings attended by each committee member during the year was as under: -

| Name of Member | No. of Meetings attended out of 1 meeting held | Date of Meeting and attendance of the committee members |
|--------------------------------------|--|---|
| Mr. Jagdish Chandra Laddha, Chairman | 1 | 29.04.2024 Yes |

| | | |
|-------------------------------|---|-----|
| Mr. Vijay Singh Bapna, Member | 1 | Yes |
| Mr. Anil shah, Member | 1 | Yes |

Performance Evaluations:

The Nomination & Remuneration Committee (NRC) and The Board is responsible for undertaking a formal annual evaluation of its own performance, committees and individual Directors with a view to review their functioning and effectiveness and to determine whether to extend or continue the term of appointment of the independent directors. During the year, NRC and the Board carried out the performance evaluation of itself, Committees and each of the executive directors/non-executive directors/independent directors excluding the director being evaluated. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee Meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India as amended time to time.

The detailed Policy inter-alia including criteria for performance evaluation is available under web link -(www.lagnamspintex.com-policies) https://683a4e08-c1df-4fd4-b9e4-1933a3be745e.filesusr.com/ugd/daa4e5_6697c18d337842a3815a77737b29f43e.pdf

Remuneration of Directors:

Non-Executive Independent Directors are paid only sitting fees for attending the Board and Committee meetings and Executive Directors are paid Salary and Perquisites subject to the overall ceilings imposed by the Companies Act, 2013 and other applicable statutes.

The appointment and remuneration of Chairman, Managing Director and Executive Director are governed as per terms and conditions approved by the Board of Directors and Shareholders on the recommendation of Nomination and Remuneration Committee.

Annexure-IV (Contd.)

Details of Remuneration paid to Executive Directors:

(₹ in Lakhs)

| S. No. | Name of Directors | Category of Directors | Basic Salary | Contribution to P.F. | Gratuity | Commission | Others | Total |
|--------|-------------------|--------------------------|--------------|----------------------|----------|------------|--------|--------|
| 1 | Mr. D. P. Mangal | Executive Chairman (WTD) | 78.96 | - | 3.24 | - | 4.11 | 86.31 |
| 2 | Mr. Anand Mangal | Managing Director | 53.31 | 6.40 | 2.19 | - | 0.44 | 62.34 |
| 3 | Mr. Shubh Mangal | Executive Director (WTD) | 52.80 | 6.34 | 2.16 | - | 6.85 | 68.15 |
| | Total | | | | | | | 216.80 |

Performance linked incentive & Criteria:
Commission based on profit of the Company.
(NIL During the year)

Service contract, notice period, severance fee
- The employment of Executive Director/WTD shall terminate automatically in the event of his ceasing to be a Director of the Company in the General Meeting and/or in the event of their resignation as a Director of the Company. No severance fee is payable to Executive Directors/WTD. Notice period shall be as per the appointment letter issued at the time of appointment.

Stock option to Executive Directors - Nil

Details of Sitting Fee paid to Non-Executive Directors:

Non-Executive Directors do not draw any remuneration except sitting fee of ₹ 30,000/- for attending every Board Meeting and ₹ 5,000/- for attending every Committee Meeting. Total sitting fee of ₹ 6,91,000/- was paid during the financial year 2024-25. The details of remuneration paid to Non-Executive Directors during the financial year 2024-25 are as under: -

| S. No. | Name of Director | Category of Directors | Sitting Fee (₹ In Lakhs) |
|--------|----------------------------|------------------------------------|--------------------------|
| 1. | Mr. Jagdish Chandra Laddha | Independent Non-Executive Director | 1.95 |
| 2. | Mr. Vijay Singh Bapna | Independent Non-Executive Director | 2.00 |
| 3. | Mr. Anil Shah | Independent Non-Executive Director | 1.95 |
| 4. | Ms. Dipali Mathur | Independent Non-Executive Director | 1.01 |

The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees to them for attending Board and Committee meetings. No Independent & Non-Executive Directors are holding any share in the Company and no stock option, convertible instrument has been issued by the Company. The Company has not advanced any loan to any Director during the Financial Year 2024-25.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Your company has Stakeholders Relationship Committee constituted by the Board of

Directors to oversee the services provided to the Investors of the Company.

Broad Terms of reference

The terms of reference of Stakeholders Relationship Committee are in line with the provisions of regulation 19 read with Part D of Schedule II of the Listing Regulations and also with the provisions of Section 178 of the Companies Act, 2013 which broadly includes the following: -

The committee considers and approves various requests for transmission, sub-division,



Annexure-IV (Contd.)

consolidation, renewal, exchange, issue of new certificates in replacement of old ones, Dematerialization/Rematerialization of Shares, non-receipt of declared Dividend, Annual Reports and to redress the grievances of the investors as may be received from time to time. The Committee evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company; Provide guidance and make recommendations to improve investor service levels for the investors; Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends; Review of adherence to the service standards adopted by the Company; Review of measures taken for effective exercise of voting rights by shareholders.

The Committee meets as and when required and during the financial year 2024-25, one meeting of the Committee was held on 08.02.2025.

The Secretarial Department of the Company and Registrar & Transfer Agent, M/s Bigshare Services Private Ltd., Mumbai attended all the Grievance of the Shareholders and Investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, SCORES etc.

No Stakeholders' Grievance remained un-attended/pending for more than 15 days. There was no complaint pending for disposal as on the March 31st, 2025. As all the shares of the Company has fully dematerialized hence No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31st March, 2025.

Role of the Stakeholders Relationship Committee not limited to but includes:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition:

The composition of "Stakeholders Relationship Committee" is as under:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|-----------------------|---------------------------|--------------------------|
| 1. | Mr. Anil shah | Independent Non-Executive | Chairman |
| 2. | Mr. Vijay Singh Bapna | Independent Non-Executive | Member |
| 3. | Mr. Anand Mangal | Managing Director | Member |

Compliance Officer: - Mr. Rajeev Parashar, Company Secretary

Designated E-mail for Investors' Grievances
- investorgrievances@lagname.com

Details of Complaints received and status thereof: -

No complaint was received from Investors during the financial year 2024-25 and no complaint was pending at the end of the year.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company is an eligible Company qualifying under Section 135(1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) for undertaking the Corporate Social Responsibility (CSR) activities as per the Company's CSR Policy during the financial year 2024-25 ended 31st March 2025.

Annexure-IV (Contd.)

The Terms of Reference of the Committee is as follows:

- (i) formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken either by the Company or through implementing agency as specified in Schedule VII to the Companies Act, 2013 as amended from time to time;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (iii) monitor the Corporate Social Responsibility (CSR) Policy of the Company from time to time;
- (iv) such other functions or activities as may be assigned or delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015 / Listing Regulations].

Composition:

The composition of the "Corporate Social Responsibility Committee" is as under:

| S. N. | Name of Director | Nature of Directorship | Designation in Committee |
|-------|----------------------------|---------------------------|--------------------------|
| 1. | Mr. Jagdish Chandra Laddha | Independent Non-Executive | Chairman |
| 2. | Mr. Vijay Singh Bapna | Independent Non-Executive | Member |
| 3. | Mr. D. P. Mangal | Executive Chairman (WTD) | Member |

Secretary of the Committee: - Mr. Rajeev Parashar, Company Secretary

The details pertaining to the Corporate Social Responsibility (CSR) activities together with details of expenditure is enclosed and attached as an Annexure - I to the Boards' Report of the Company.

7. GENERAL BODY MEETING:

(i) Location and Time of General Body Meetings:

The details of location, date and time of Annual General Meetings held during last three years are given as under: -

| AGM | Date | Time | Place | Special Resolution(s) passed |
|----------------------|------------|----------|--|--|
| 12 th AGM | 28.06.2022 | 11.00 AM | Through Video Conference (VC)/ Other Audio Visual Means ("OAVM") hosted at Lagnam Spintex Limited A 51-53 RIICO Growth Centre Hamirgarh, Bhilwara-311001, Rajasthan. | <ol style="list-style-type: none"> 1. Re-appointment of Mr. Anand Mangal (DIN: 3113542) as Managing Director of the Company. 2. Re-appointment of Mr. Shubh Mangal (DIN: 01287935) as Whole time Director of the Company. 3. Re-appointment of Mr. Jagdish Chandra Laddha (DIN: 00118527) as a Non-Executive Independent Director of the Company for a second term of 5 consecutive years w.e.f. 10.02.2023. 4. Re-appointment of Mr. Anil Shah (DIN: 00145396) as a Non-Executive Independent Director of the Company for a second term of 5 consecutive years w.e.f. 10.02.2023. 5. Re-appointment of Ms. Dipali Mathur (DIN: 07732611) as a Non- Executive Independent Director of the Company for a second term of 5 consecutive years w.e.f. 10.02.2023. |

**Annexure-IV** (Contd.)

| | | | | |
|-------------------------|------------|-------------|--|---|
| | | | | 6. To consider remuneration of all executive directors under regulation 17(6)(e)(ii) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. |
| 13 th AGM | 28.07.2023 | 11:00 AM | Through Video Conference (VC)/ Other Audio Visual Means ("OAVM") hosted at Lagnam Spintex Limited A 51-53 RIICO Growth Centre Hamirgarh, Bhilwara-311001, Rajasthan. | 1. To consider and approve the payment of remuneration to Mr. D. P. Mangal (DIN: 01205208), Executive Chairman of the Company for the period w.e.f 03.02.2024 to 31.03.2025 of his present tenure. 2. To consider and approve, continuation of the present term of Mr. Vijay Singh Bapna (DIN: 02599024) as an Independent Director, who shall attain the age of 75 (Seventy-Five) years on 28th August, 2023. |
| 14 th | 16.07.2024 | 11:00 AM | Through Video Conference (VC)/ Other Audio Visual Means ("OAVM") hosted at Lagnam Spintex Limited A 51-53 RIICO Growth Centre Hamirgarh, Bhilwara-311001, Rajasthan. | 1. To re-appoint Sh. D. P. Mangal (DIN: 01205208), as Whole Time Director, designated as "Executive Chairman" for a term of 5 years w.e.f 01.04.2025 2. To re-appoint Mr. Vijay Singh Bapna (DIN: 002599024) as a Non-Executive Independent Director of the Company for a second term of 5 consecutive years w.e.f. 09.09.2024 |

(ii). Details of Special Resolution passed in the year 2024-25 through postal ballot;

No Postal Ballot Resolution was passed in the financial year 2024-25.

(iii) Procedure of Postal Ballot: *Not Applicable***8. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS'**

Pursuant to the Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors was held on February 08th, 2025 without the attendance of Non-Independent Directors and members of management to inter-alia to:

- Review the performance of Non Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairman of the Company taking into account the views of the Executive and Non Executive Directors;

- Assess the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

9. OTHER DISCLOSURES**Details of Compliances:**

The Company has complied with all the requirements of the Listing Regulations as well as SEBI regulations and guidelines. During the last three years, no penalties/strictures were imposed / passed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets which have significant impact on the financials.

Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies

Annexure-IV (Contd.)

Act, 2013 and regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arms length pricing basis and do not have any potential conflict the interests of the Company at large. There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the Ind AS 24 has been made in the notes to the Financial Statements. Pursuant to regulation 23 of the Listing Regulations, all the related party transactions are disclosed to Stock Exchanges on half yearly basis. The Board has approved a policy for related party transactions which has been uploaded on the Company's website under the link <https://www.lagnamspintex.com/policies>.

Code of Conduct: -

The Board of the Company has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Company is committed to conduct its business in accordance with the pertinent laws, rules and regulations and with the highest standards of business ethics.

The code of conduct for Directors and Senior Management as approved by the Board of Directors has been placed on the website of the Company under the link <https://www.lagnamspintex.com/policies>.

All Board members and senior management personnel have affirmed compliance with the code of conduct during the year under review. In this regard, certificate of Managing Director is given at the end of this report.

Initiatives on Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders

In compliance with the SEBI regulation on Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders, the Company has instituted a comprehensive code of conduct for Regulating, Monitoring & Reporting Trading in shares of the Company by designated and connected persons. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them on consequences of violations. The Company follows closure

of trading window prior to the publication of price sensitive information. The Company has been informing the directors, senior management personnel and other persons covered under the code and advise them not to trade in Company's securities during the closure of trading window period.

Compliance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In accordance with the provisions of Regulation 34(3) read with Schedule V Para C Sub clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from Practicing Company Secretary confirming that none of the Directors on the Board of the Company has 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 statutory authority. The certificate issued is annexed herewith in this report.

Whistle Blower Policy/Vigil Mechanism:

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud-free work environment and to this end the Committee has laid down a Whistle Blower Policy providing a platform to all the Directors, employee, other stakeholders can report any suspected or confirmed incident of fraud/misconduct. The policy also provides for adequate safeguard against victimization. This policy is applicable to all the directors, employees, other stakeholders of the Company and it is posted on the website of the Company under the link <https://www.lagnamspintex.com/policies>. It provides for direct access to the Chairperson of audit committee in appropriate or exceptional cases and no employee was denied access to the Audit Committee.

During the year under review, there was no instance of fraud reported and all the recommendation of the Audit Committee were accepted by the Board. No employee was denied access to the Audit Committee.



Annexure-IV (Contd.)

Prohibition of Sexual Harassment of Women

To prevent sexual harassment of women at work place, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified. The Company has zero tolerance for sexual harassment at workplace in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under for prevention and redressal of complaints of sexual harassment at workplace. No complaint was pending at the beginning and end of the year and no complaint of sexual harassment of women has been received during the financial year 2024-25.

Familiarization Programme for Independent Directors:

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director.

Further, the Directors are regularly updated with amendments in the provisions of the Companies Act, 2013, Listing Regulations, other applicable SEBI Regulations etc. Besides these Directors are updated on continuous basis in respect of Related Party Transactions, Audit and Auditors and they are periodically meeting with the senior management of the Company.

The details of familiarization programme for Independent Directors is available at the website of the Company under the link <https://www.lagnamspintex.com/policies>.

Risk Management

The Company has a well-defined risk management framework in place. Under this framework, the Management has categorized the risks as High risk, Moderate risk and Low risk which were monitored on a continuous

basis and appropriate risk mitigation steps were initiated as and when deemed necessary. The detail of commodity price risk, foreign exchange risk and hedging activities has been given in Management & Discussions Analysis Report.

Loans and Advances

The Company has not made any loan advances to firms/companies in which Directors of the Company are interested.

Compliance Confirmation

It is confirmed that the Company has complied with the requirements prescribed under Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. A certificate from Statutory Auditors for compliance of provisions of Corporate Governance is attached with the Report.

Discretionary Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations and adoptions of discretionary requirements as provided in the Part -E of Schedule - II under regulation 27(1) Listing Regulations are as under: -

- (i) Reporting of Internal Auditors directly to Audit Committee.
- (ii) Modified opinion(s) in Audit Report - Moved towards regime of financial statement with unmodified audit opinion.

Others

- During the year the Company has paid total fee of ₹ 2.43 Lakhs to the Statutory Auditors towards Audit Fee and other services.
- There are no instances where Board has not accepted the recommendation of any Committee of Board of the Company.
- The Company do not have any Subsidiary Company.
- Pursuant to Regulation 30A (2) of Listing Regulation we confirm that no agreement

Annexure-IV (Contd.)

is subsist under clause 5A to para A of part A of schedule III to the Listing Regulations.

- The details about commodity price risk, foreign exchange risk and hedging activities are given in the Management Discussion and Analysis Report.

10. MEANS OF COMMUNICATION

The main channel of communication to shareholders is through Annual Report which inter-alia includes the Board Report, the Report on Corporate Governance and Audited Financial Statements.

Quarterly financial results are reviewed & approved by the Audit Committee and Board of Directors and submitted to the Stock Exchanges. The Quarterly financial results are published in one prominent English newspaper such as the Financial Express and one/two vernacular language newspapers such as the Dainik Lokjeevan, Nafa Nuksan and Jan Satta.

The website of the Company **www.lagnamspintex.com** acts as the primary source of information about the Company which inter-alia displayed the annual/quarterly financial results, official press/news release and Shareholding pattern, of the Company. The same are also displayed on the website of both the Stock Exchanges. The Company ensures that relevant provisions of Regulation 46 of the Listing Regulation, 2015 are complied with.

During the Financial year 2024-25, the Company did not raise any funds through preferential allotment or qualified institutional placement.

10. GENERAL SHAREHOLDER INFORMATION

| Month | Share Price of LAGNAM (NSE) | | National Stock Exchange of India Limited (NSE) Index | |
|--------------|-----------------------------|--------|--|----------|
| | High | Low | High | Low |
| April, 2024 | 160.05 | 116.60 | 22783.35 | 21777.65 |
| May, 2024 | 163.25 | 128.45 | 23110.80 | 21821.05 |
| June, 2024 | 154.75 | 124.25 | 24174.00 | 21281.45 |
| July, 2024 | 175.76 | 141.10 | 24999.75 | 23992.70 |
| August, 2024 | 174.90 | 126.03 | 25268.35 | 23893.70 |

Shareholder Information:

- | | |
|--|---|
| A. Date of AGM & Time & Venue | 23rd July, 2025 at 11:30 AM through Video Conferencing/OAVM |
| B. Dividend Payment date | Within 30 days from the date of AGM if any. |
| C. Next Financial Year | April 1, 2025 to March 31, 2026 |
| D. Tentative Financial Calendar for next Year for 2025-26: | |

| Period | Date of Board Meeting |
|--|--|
| 1 st Quarter ending June, 2025 | Fourth week of July, 2025 or First week of August, 2025 |
| 2 nd Quarter ending September, 2025 | Fourth week of October, 2025 or First week of November, 25 |
| 3 rd Quarter ending December, 2025 | Fourth week of January, 2026 or First week of February, 2026 |
| Year ending 31 st March, 2026 | Before 15 th May, 2026 |
| AGM for year ending 31 st March, 2026 | July/August 2026 |

F. Listing on Stock Exchange & Stock Code :

| Name of Stock Exchange | Address | Stock Code |
|--|--|------------|
| National Stock Exchange of India Limited | Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 | LAGNAM |

The applicable listing fee for the Financial Year 2025-26 has been paid to the Stock Exchange.

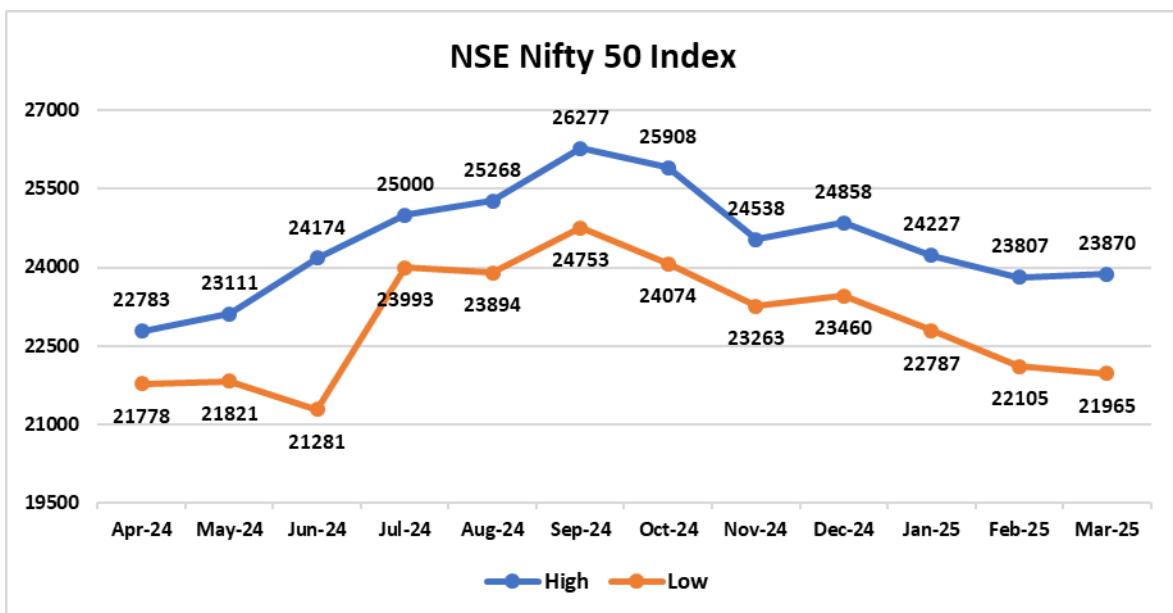
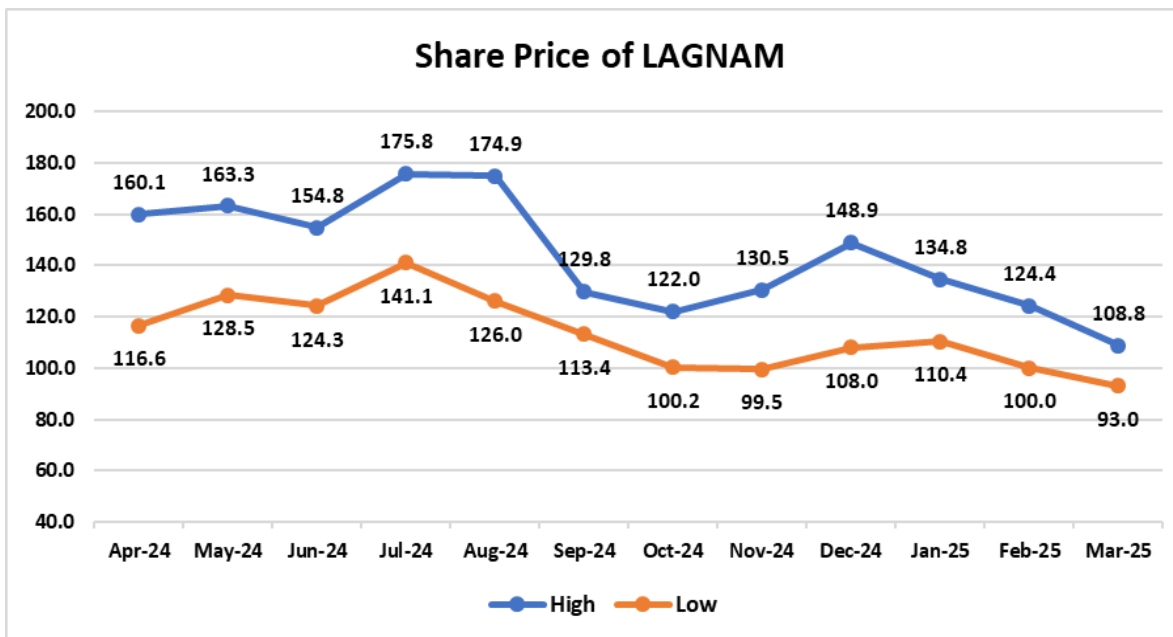
G. Stock Price Data:



Annexure-IV (Contd.)

| | | | | |
|-----------------|--------|--------|----------|----------|
| September, 2024 | 129.75 | 113.35 | 26277.35 | 24753.15 |
| October, 2024 | 121.96 | 100.22 | 25907.60 | 24073.90 |
| November, 2024 | 130.51 | 99.49 | 24537.60 | 23263.15 |
| December, 2024 | 148.87 | 108.03 | 24857.75 | 23460.45 |
| January, 2025 | 134.80 | 110.40 | 24226.70 | 22786.90 |
| February, 2025 | 124.44 | 100.02 | 23807.30 | 22104.85 |
| March, 2025 | 108.80 | 93.00 | 23869.60 | 21964.60 |

*For disclosure and comparison purpose the performance of Nifty 50 (Index) is taken into account.



Annexure-IV (Contd.)

I. Dematerialization of Share and Liquidity:

The equity shares of the Company are compulsorily traded and settled in dematerialized form under ISIN INE548Z01017. All the shares are in dematerialized form only. The details of Shares are as under: -

| Particulars | 31 st March, 2025 | | 31 st March, 2024 | |
|--------------------------------|------------------------------|--------|------------------------------|--------|
| | No. of Shares | % | No. of Shares | % |
| No. of Shares Dematerialized | | | | |
| - NSDL | 98,95,703 | 56.01 | 95,34,933 | 53.96 |
| - CDSL | 77,73,297 | 43.99 | 81,34,067 | 46.04 |
| No. of Shares in Physical Mode | | | - | - |
| Total | 1,76,69,000 | 100.00 | 1,76,69,000 | 100.00 |

J. Outstanding GDRs/ADRs/Warrants Etc.

NIL

K. Registrar & Share Transfer Agent:-

The Bigshare Services Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company. The Shareholders / Investors are requested to contact for all correspondence / queries at the following address:-

| | | |
|-----------|---|---|
| | | M/s Bigshare Services Private Limited |
| Unit | : | Lagnam Spintex Limited |
| Address | : | Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India. |
| Phone No. | : | 022-62638200 |
| Fax No. | : | 022-62638299 |
| Email | : | investor@bigshareonline.com |
| Web Site | : | http://www.bigshareonline.com |

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer of shares can be processed in DEMAT form, transmission and transposition of securities held in physical or DEMAT form shall be affected only in dematerialized form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation. The has all the 100% Share Capital in DEMAT form.

**Annexure-IV** (Contd.)**L. Distribution of Shareholding as on 31st March, 2025:**

| No. of Equity Shares held | No. of Shareholders | % to Shareholders | No. of Shares | % to Shares |
|---------------------------|---------------------|-------------------|-----------------|---------------|
| Up to 500 | 5087 | 86.00 | 453127 | 2.56 |
| 501 to 1,000 | 334 | 5.65 | 262846 | 1.49 |
| 1,001 to 2,000 | 200 | 3.38 | 300348 | 1.70 |
| 2,001 to 3,000 | 112 | 1.89 | 305678 | 1.73 |
| 3,001 to 4,000 | 32 | 0.54 | 112838 | 0.64 |
| 4,001 to 5,000 | 23 | 0.39 | 106455 | 0.60 |
| 5,001 to 10,000 | 54 | 0.91 | 397363 | 2.25 |
| 10,001 & above | 73 | 1.24 | 15730345 | 89.03 |
| Total | 5915 | 100.00 | 17669000 | 100.00 |

M. Credit Ratings of the Company

During the year 2024-25, India Ratings and Research Private Limited has revised the ratings of Bank Loan facilities of the Company and following credit ratings assigned: -

- India Ratings

| Facilities | Rating |
|---------------------------|---|
| Long-Term Loans | IND BB+ / Rating watch with Developing Implications |
| Fund Based Facilities | IND BB+ / Rating watch with Developing Implications |
| Non Fund Based Facilities | IND A4+ / Rating watch with Developing Implications |

N. Plant Location & Address for Correspondence

| | | |
|-----|--|--|
| (a) | Plant Locations | A 51-53, RIICO Growth Centre Hamirgarh, Bhilwara-311001, Rajasthan. |
| (b) | Registered office and address for correspondence | A 51-53, RIICO Growth Centre Hamirgarh, Bhilwara-311001, Rajasthan. Phone: +91-9116420111 E-Mail: rparashar@lagnam.com Website – www.lagnamspintex.com |

For and on Behalf of the Board of Directors

Place : Bhilwara
Date : 16th April, 2025

D. P. Mangal
Executive Chairman
(DIN – 01205208)

Annexure-IV (Contd.)

COMPLIANCE CERTIFICATE

(Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

(Devi Lal Mundra)
Chief Financial Officer
PAN- AKUPM7207P

(Anand Mangal)
Managing Director
DIN: 03113542

Place : Bhilwara
Date : 16th April, 2025

DECLARATION AS REQUIRED UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management of Lagnam Spintex Limited for the Financial Year ended 31st March, 2025.

Place : Bhilwara
Date : 16th April, 2025

(Anand Mangal)
Managing Director
DIN: 03113542



Lagnam Spintex

Annexure-IV (Contd.)

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of
Lagnam Spintex Limited

We have examined the compliance of conditions of Corporate Governance by Lagnam Spintex Limited for the year ended 31st March, 2025 as stipulated in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above-mentioned "Listing Regulations"

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

*For Sanjay Somani & Associates
Company Secretaries*

Sanjay Somani
Proprietor

M. No.: FCS6958

COP No.: 5270

UDIN: F006958G000129951

Place : Bhilwara
Date : 16th April, 2025

Annexure-IV (Contd.)**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 Lagnam Spintex Limited
A 51-53, RIICO Growth Centre, Hamirgarh,
Bhilwara-311001 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lagnam Spintex Limited having CIN: L17119RJ2010PLC032089 and having registered office at A 51-53, RIICO Growth Centre, Hamirgarh, Bhilwara-311001 (Rajasthan) (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 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, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN |
|---------|----------------------------|----------|
| 1. | Mr. Dwarka Prasad Mangal | 01205208 |
| 2. | Mr. Anand Mangal | 03113542 |
| 3. | Mr. Shubh Mangal | 01287935 |
| 4. | Mr. Jagdish Chandra Laddha | 00118527 |
| 5. | Mr. Vijay Singh Bapna | 02599024 |
| 6. | Mr. Anil Shah | 00145396 |
| 7. | Ms. Dipali Mathur | 07732611 |

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

*For Sanjay Somani & Associates
Company Secretaries*

Sanjay Somani
Proprietor

M. No.: FCS6958

COP No.: 5270

UDIN: F006958G000129828

Place : Bhilwara

Date : 16th April, 2025

ANNEXURE-V

MANAGEMENT DISCUSSION & ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS



The management discussion and analysis report provide an over view of the financial and Business activities for the fiscal year ended on 31st March 2025, gives an overall sight of the yarn industry, opportunities and threats in the business and Company's strategy to deal with that. This report is designed to focus on current year's activities, resulting changes and other known facts in conjunction to the financial and strategic position of the Company.

Global Economy

The year 2024 began with confidence that inflation was largely beaten and that major economies would likely avoid recession. Those expectations were correct. However, as the year ended, it became increasingly clear that inflation remained more persistent than anticipated. And while the United States experienced strong growth, most other advanced economies did not. Moreover, as the year ended, many economies including India experienced currency depreciation, which could potentially become disruptive especially for emerging market economies.

As 2025 begins, there is some uncertainty due to the likely shift in policy following numerous elections around the world. New policies could lead to new trajectories for inflation, borrowing costs, and currency values, as well as trade flows, capital flows, and costs of production. Meanwhile, governments and central banks continue to navigate a balance between a desire to suppress inflation and a goal to boost growth.

The global economy exhibited steady yet uneven growth across regions in 2024. A notable trend was the slowdown in global manufacturing, especially in Europe and parts of Asia, due to supply chain disruptions and weak external demand. In contrast,

the services sector performed better, supporting growth in many economies. Inflationary pressures eased in most economies. However, services inflation has remained persistent.

Despite global uncertainty, India has displayed steady economic growth. India's real GDP growth of 6.4% in FY25 remains close to the decadal average.

The US economy continues to outperform its developed economy peers. Real gross domestic product growth for 2024 is expected to reach 2.8%. Despite elevated interest rates, consumer spending has grown strongly. A relatively tight labor market, stronger inflation-adjusted wage growth, and a sharp increase in immigration have supported aggregate consumer spending. Business investment has also held up relatively well, largely due to industrial policies that caused a sharp increase in factory construction.

The Federal Reserve's preferred measure of inflation, the personal consumption expenditures (PCE) price index, had come down to 2.3% in October 2024 on a year-ago basis, from 2.8% in March 2024. As a result, the Fed was able to cut the federal funds rate by 100 basis points between September and December 2024. Although additional rate cuts are anticipated for 2025, the pace of those cuts is expected to be modest, due in part to the persistence of services inflation. The mix of federal fiscal policy could also affect the pace of future rate cuts.

Aside from the uncertain policy environment, the US economic outlook remains bright. The economy is gradually slowing toward its potential rate of growth. Unemployment remains low, and inflation is nearing 2%. As a result, the Fed is expected to ease monetary policy at a modest pace, which should prevent a more protracted slowdown in the near term.

India's GDP growth slowed to 6.0% year over year in the first half of fiscal year 2024 to 2025, significantly below the Reserve Bank of India's (RBI) projection of 6.9%. Consequently, the central bank lowered its annual growth forecast

ANNEXURE-V (Contd.)

to 6.6% from 7.2%. The first advanced estimate by the Central Statistical Office pegs growth to be 6.4%. The slowdown was primarily driven by a moderation in gross fixed capital formation, which grew by 6.4% in the first half, as capital expenditure utilization fell to 37.3%, down from 49% last year. This decline was attributed to the elections in the first quarter and weather-related disruptions in the subsequent quarter.

Additionally, geopolitical disruptions, particularly in the Red Sea, Bangladesh Political Instability and rising global trade disturbances including US tariff implications impacted the trade balance adversely

On the production side, gross value added grew by 6.2% in the first half of the fiscal year, down from 8.0% in the same period last year. Performance in the secondary sector remained weak at 6%, but the farm and service sector demonstrated resilience.

Despite the overall economic slowdown, several sectors managed to sustain positive momentum, highlighting pockets of strength within the economy. These sectors played a critical role in supporting growth amid external and domestic pressures.

- **Rural consumption:** Agricultural growth hit a five-quarter high of 3.5%, driven by strong monsoons, healthy kharif (or monsoon or autumn crops) harvests, and improved Rabi (winter crops) sowing in the second quarter. Indicators like sales growth in fast-moving consumer goods and a lower number of jobs demanded under the Mahatma Gandhi National Rural Employment Guarantee Act of 2005 reflect rural consumption strength this fiscal year.
- **Services:** Services grew 7.1% in the first half of the fiscal year, with a large contribution coming from the financial, real estate, and professional services sectors. Services exports also surged 12.8% year over year, reaching US\$248 billion from April to November 2024, with November exports reaching the highest levels ever. This shows the rising significance of services to growth and urban income.
- **High-value manufacturing exports:** With the support of government schemes, Indian manufacturing is moving up the value chain. Electronics, engineering goods, and chemicals

now make up 31% of exports, supported by contributions from micro, small, and medium enterprises and rising credit availability.

- **Fiscal deficit control:** At 3.1% of GDP in the second quarter, the fiscal deficit remains manageable, with government spending on capex expected to rise significantly in the second half of the year to meet annual targets.

Indian Economy Scenario

The Economic Survey 2024-25 notes that agriculture growth remained steady in first half of FY25, with Q2 recording a growth rate of 3.5 %, marking an improvement over the previous four quarters. Healthy “Kharif” production, above-normal monsoons, and an adequate reservoir level supported agricultural growth. The total “Kharif” food grain production is estimated at a record 1647.05 lakh metric tonnes (LMT) in 2024-25, higher by 5.7 % compared to 2023-24 and 8.2 % higher than the average food grain production in the past five years.

The industrial sector grew by 6 % in first half of FY25, and is estimated to grow by 6.2 % in FY25. Q1 saw a strong growth of 8.3 %, but growth moderated in Q2 due to three key factors. First, manufacturing exports slowed significantly due to weak demand from destination countries, and aggressive trade and industrial policies in major trading nations. Second, the above average monsoon had mixed effects - while it replenished reservoirs and supported agriculture, it also disrupted sectors like mining, construction, and, to some extent, manufacturing. Third, the variation in the timing of festivities between September and October in the previous and current years led to a modest growth slowdown in Q2 FY25.

Despite various challenges, India continues to register the fastest growth in manufacturing PMI, stated the Survey. The latest Manufacturing PMI for December 2024 remained well within the expansionary zone, driven by new business gains, robust demand, and advertising efforts.

The services sector continues to perform well in FY25, emphasizes the Survey. A notable growth in Q1 and Q2 resulted in 7.1 % growth in first half of FY25. Across sub-categories, all the sub-sectors have performed well. India’s services export growth surged to 12.8 % during April–November FY25, up from 5.7 % cent in FY24.

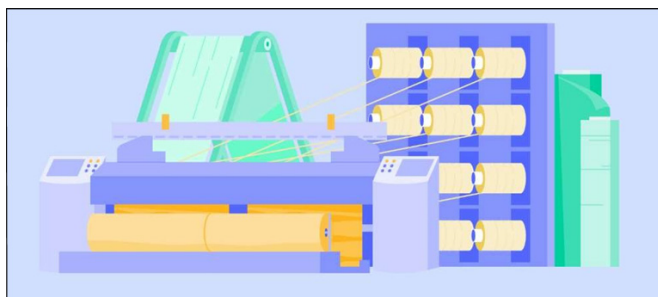


ANNEXURE-V (Contd.)

The Economic Survey states that growth process has been ably supported by stability on fronts such as inflation, fiscal health, and external sector balance. On inflation, the Survey states that retail headline inflation has softened from 5.4 % in FY24 to 4.9 % in April – December 2024. Food inflation, measured by the Consumer Food Price Index (CFPI), has increased from 7.5 % in FY24 to 8.4 % in FY25 (April-December), primarily driven by a few food items such as vegetables and pulses. India's consumer price inflation will gradually align with the target of around 4 % in FY26 as per RBI and IMF.

The Survey observes that stability in the banking sector is underscored by declining asset impairments, robust capital buffers, and strong operational performance. The gross non-performing assets (NPAs) in the banking system have declined to a 12-year low of 2.6 % of gross loans and advances. The capital-to-risk-weighted assets ratio (CRAR) for Schedule Commercial Banks stands at 16.7 % as of September 2024, well above the norm, says the Survey.

Textiles & Indian Economy



The Indian Textile and Apparel Industry;

- **plays a crucial role in India's economic growth**, boosting exports, creating jobs, empowering women and showcasing India's rich heritage and culture.
- The industry contributes nearly 2% to the country's GDP, 10% to industrial production, and 8.21 % to India's overall exports.
- In terms of Global trade, India is the sixth largest exporter of textiles, with a 3.91% share in World Textile exports.
- The domestic textile and apparel production is approximately US\$175.7 billion. Exports accounted for US \$ 35.87 bn to the sector (2023-24).

The textile sector is highly labour intensive. Overall **the sector provides direct employment to over 45 million people, including a large number of women and the rural population. This makes it the second largest employment generator in the country, next only to agriculture.** The sector also has perfect alignment with the Government's overall objectives of Make in India, Skill India, Women's Empowerment, Rural Youth Employment and inclusive growth.

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

The global cotton yarn market size is projected to grow from \$86.11 billion in 2024 to \$117.79 billion by 2032, at a CAGR of 4.0% during the forecast period.

The share of textile and apparel (T&A) including handicrafts in India's total exports stands at a significant 8.21% in 2023-24. Our country has a share of 3.9% of the global trade in textiles and apparel. Major textile and apparel export destinations for India are USA and EU and with around 47% share in total textile and apparel exports. India is a major textile and apparel exporting country and enjoys trade surplus. Bulk of import takes place for re-export or for industry requirement of raw material.

It is noteworthy that export is a function of demand and supply and depends on factors such as:

- ✓ global demand,
- ✓ internal consumption and demand,
- ✓ order flow,
- ✓ logistics,
- ✓ geopolitical situations (such as red sea crisis, Bangladesh crisis etc.).

Export comparison of Textile & Apparel from Oct 23 vs Oct 24 and April-Oct 23 vs Oct 24 :

ANNEXURE-V (Contd.)

Export of Textile & Apparel (Apr-Oct)

(Value in USD Million)

| Commodity | Oct-23 | Oct-24 | % Change | Apr-Oct 23 | Apr-Oct 24 | % Change |
|-------------------------|--------|--------|----------|------------|------------|----------|
| Readymade Garment | 909 | 1227 | 35% | 7,825 | 8,733 | 12% |
| Cotton Textiles | 1005 | 1049 | 4% | 7,014 | 7,082 | 1% |
| Man-made textiles | 414 | 474 | 14% | 2,958 | 3,105 | 5% |
| Wool & Woolen textiles | 16 | 14 | -11% | 117 | 95 | -19% |
| Silk Products | 13 | 14 | 5% | 70 | 98 | 40% |
| Handloom Products | 12 | 13 | 4% | 89 | 84 | -6% |
| Carpets | 126 | 147 | 17% | 795 | 893 | 12% |
| Jute Products | 25 | 36 | 44% | 218 | 220 | 1% |
| Total Textile & Apparel | 2,520 | 2,974 | 18% | 19,087 | 20,309 | 6% |

Source: DGCIS

Cotton Yarn Industries

Cotton yarn refers to a type of yarn that is made from cotton fibers. It is commonly used in the textile industry to create a wide range of clothing products. Cotton yarn is popular because it is soft, breathable, and comfortable to wear. It can also be dyed in a wide range of colors, making it versatile for various design options.



Cotton yarn is made using natural cotton harvested from the Cotton plant. These yarns are produced using different types of spinning processes. Based on the spinning process used to manufacture cotton yarn, the yarn produced across the globe can be primarily categorized into two types, carded and combed yarns. Different types of yarns have unique characteristics which ultimately influence the type of application it will be employed in and the quality of

finished textile goods. For example, combed yarn is produced using high-quality cotton fiber by adding the combing process to the carded yarn.

Combed yarn is a finer and better quality product, making it useful for manufacturing fabrics with premium texture and durability. The majority of cotton yarn produced across the globe is used to manufacture apparels. Currently, consumers and brands are promoting sustainable fashion like never before, and clothing made using cotton yarn is an excellent choice for sustainability.

India has a 4% share of the global trade in textiles and apparel. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports.

The textile industry has around **45 million of workers employed in the sector**, including 3.5 million handloom workers. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY.

Total textile exports are expected to reach US\$ 65 billion by FY26. The Indian textile and apparel industry is expected to grow at 10% CAGR to US\$ 190 billion by 2025-26. The Indian apparel market is expected to reach US\$ 135 billion by 2025.

FUTURE OUTLOOK OF THE COTTON YARN INDUSTRY

India is the world's second-largest producer of textiles and garments.

The Indian textile industry is one of the oldest and most important sectors in the country,



ANNEXURE-V (Contd.)

contributing significantly to its economic growth and employment. The industry has come a long way from its traditional roots, embracing modern technologies and practices to stay competitive in the global market, focusing on key factors such as the demand for cotton yarn, the buying and selling of yarn, and the effect of technology on the industry.

India's textile industry is a strong economic driver, offering employment and notable revenue. It covers fibers, yarns, fabrics, and apparel, making India a major global manufacturing hub. Fueled by great resources, skilled labor, and supportive policies, the sector has seen great growth amid growing local and global demands.

Cotton is the most widely used fiber in India, accounting for a large portion of the textile industry's raw material requirements. The country is known for its high-quality cotton production, which has made it a preferred sourcing destination for many global textile players.

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

The Indian textile industry has traditionally been dominated by small and medium enterprises (SMEs) and unclean players. However, in recent years, there has been a change towards joining, with larger corporations investing in modern manufacturing facilities and adopting advanced technologies.

One of the key factors driving this transformation is the growing adoption of technology in the industry. Automation, artificial intelligence, and data analytics are revolutionizing textile manufacturing, leading to increased efficiency, productivity, and quality. These technological advancements also enable manufacturers to offer customized and personalized products, catering to the evolving demands of consumers.

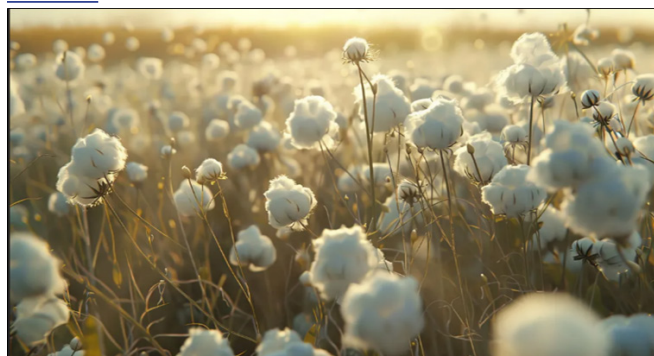
India's cotton spinning industry is forecast to grow:

- by 12-14 % in financial year 2026 (FY26),
- Cotton yarn exports typically account for approximately 25-35 % of India's cotton yarn production, while the remaining is accounted for by the domestic market.

India is one of the largest producers of cotton and jute in the world. India is also the 2nd largest producer of silk in the world and 95% of the world's hand-woven fabric comes from India. The Indian technical textiles segment is estimated at \$16 bn, approximately 6% of the global market.

The textiles and apparel industry in India is the 2nd largest employer in the country providing direct employment to 45 million people and 100 million people in allied industries.

Cotton



India is the largest producer of cotton globally, accounts for 23% of total global cotton production. It is a crop that holds significant importance for the Indian economy and the livelihood of Indian cotton farmers. Cotton grows over 13.06 million hectares in India compared to 33.1 million hectares globally. The Indian cotton industry provides livelihood to about 60 million people in the country.

Apart from being the provider of a basic necessity of life i.e. clothing which is next only to food, cotton is also one of the largest contributor to India's net foreign exchange by way of exports in the form of raw cotton, intermediate products such as yarn and fabrics to ultimate finished products in the form of garments, made ups and knitwear. Due to its economic importance in India, it is also termed as "White-Gold".

- o Majority of the cotton production comes from ten major cotton growing states, which are grouped into three diverse **agro-ecological zones**, as under:

ANNEXURE-V (Contd.)

- **Northern Zone:** Punjab, Haryana and Rajasthan
- **Central Zone:** Gujarat, Maharashtra and Madhya Pradesh
- **Southern Zone:** Telangana, Andhra Pradesh, Karnataka and Tamil Nadu

As per Cotton Association of India (CAI), all India total cotton pressing numbers for the 2024-25 season have been estimated at 302.25 lakh bales of 170 kgs. each (equivalent to 317.18 lakh running bales of 162 kgs. each).

The CAI also drew a cotton balance sheet as on 30th September 2025. The State-wise breakup of the cotton pressing numbers and balance sheet for the season with the corresponding data for the previous crop year are enclosed. The Committee however felt that there could be a variation of +/- 5% in the cotton pressings and balance sheet numbers on account of unpredictable monsoon pattern and other factors influencing the crop.

As per CAI data,

- the highest cotton yield in India during the last five years was 2.67 bales per hectare in 2019-20 season, the lowest cotton yield during the last five years was 2.42 bales per hectare in 2021-22 season and
- the average yield during the last five years was 2.55 bales per hectare.

Considering this and the showing of 112.90 lakh hectare reported by the Ministry of Agriculture in its report dated 27th September 2024, the highest cotton production in India during 2024-25 season is about 301 lakh bales of 170 kgs. each (equivalent to 315.86 lakh running bales of 162 kgs. each), the lowest cotton production during 2024-25 season is about 273 lakh bales of 170 kgs. each (equivalent to 286.48 lakh running bales of 162 kgs. each) while the average cotton production in India during the ongoing crop year 2024-25 is about 288 lakh bales of 170 kgs. each (equivalent to 302.22 lakh running bales of 162 kgs. each).

The total cotton supply till end of the cotton season 2024-25 (i.e. upto 30th September 2025) is estimated at 357.44 lakh bales of 170 kgs. each (equivalent to 375.09 lakh running bales of 162 kgs. each) as against the last year's total cotton supply of 371.69 lakh bales of 170 kgs. each (equivalent to 390.05 lakh running bales of 162 kgs. each). The

estimated cotton supply consists of the opening stock of 30.19 lakh bales (equivalent to 31.68 lakh running bales of 162 kgs. each) at the beginning of 2024-25 season on 1st October 2024, cotton pressing numbers estimated for 2024-25 season at 302.25 lakh bales of 170 kgs. Each (equivalent to 317.18 lakh running bales of 162 kgs. each) and imports for the season estimated at 25 lakh bales of 170 kgs. each (equivalent to 26.23 lakh running bales of 162 kgs. each). The cotton imports estimated by the CAI for the season are higher by 7.50 lakh bales of 170 kgs. each compared to last year.

The domestic consumption estimated by the CAI is the same as last year i.e. 313 lakh bales of 170 kgs. Each (equivalent to 328.46 lakh running bales of 162 kgs. each). The exports for the season 2024-25 are estimated by the CAI at 18 lakh bales of 170 kgs. each (equivalent to 18.89 lakh running bales of 162 kgs. each) as against 28.50 lakh bales of 170 kgs. each (equivalent to 29.91 lakh running bales of 162 kgs. each) estimated for 2023-24 season.

The following are the salient features of the CAI crop report: -

Consumption

CAI has maintained cotton consumption for 2024-25 season at 313 lakh bales of 170 kgs. each (equivalent to 328.46 lakh running bales of 162 kgs. each).

Cotton Pressing

As per the crop report submitted by upcountry associations and trade sources at the meeting of the CAI Crop Committee, there are reports of crop damage due to excessive rainfalls in several cotton growing states. Also the Ministry of Agriculture has reported acreage under cotton to be lower by 10% that last year. Overall, CAI estimates a reduction of 23.04 lakh bales of 170 kgs. each in the pressing numbers for the ongoing season - 302.25 lakh bales of 170 kgs. each (equivalent to 317.18 lakh running bales of 162 kgs. each) as against 325.29 lakh bales of 170 kgs. each (equivalent to 341.35 lakh running bales of 162 kgs. each) in last year. The break-up of Zone-wise reduction of 23.04 lakh bales in cotton pressing numbers compared to last year are given below:



ANNEXURE-V (Contd.)

(in lakh bales of 170 kgs. each)

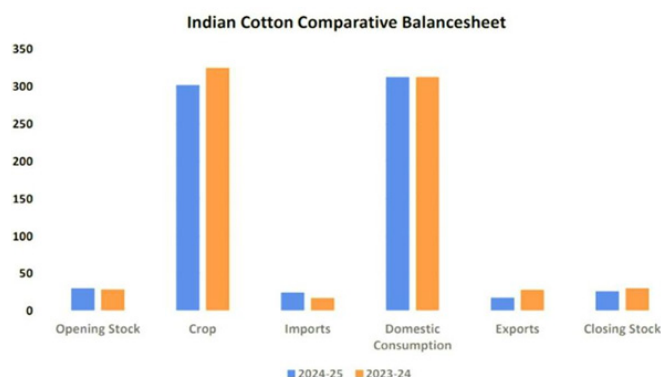
| Zone | Reduction |
|-----------------|-----------|
| North Zone | 9.62 |
| Central Zone | 11.05 |
| South Zone | 1.85 |
| Orissa | 0.52 |
| Total Reduction | 23.04 |

Imports

The cotton imports into India are at 25 lakh bales of 170 kgs. each (equivalent to 26.23 lakh running bales of 162 kgs. each) during 2024-25 season as against 17.50 lakh bales of 170 kgs. Each (equivalent to 18.36 lakh running bales of 162 kgs. each) in the last season. The cotton imports for the ongoing crop year 2024-25 are higher by 7.50 lakh bales of 170 kgs. each compared to last year.

Exports

The cotton exports for 2024-25 crop year are at 18 lakh bales of 170 kgs. each (equivalent to 18.89 lakh running bales of 162 kgs. each) as against 28.50 lakh bales of 170 kgs. each (equivalent to 29.91 lakh running bales of 162 kgs. each) in the last season.



The cotton production in India for 2024-25 is slightly lower than the previous year. In India, the lowest cotton production was recorded in 2008-09 with 29 million bales, according to the Cotton Advisory Board.

Further, the cost of raw cotton, the primary material for cotton yarn, can be subject to fluctuations due to factors such as weather conditions, global supply and demand, and trade policies. In contrast, synthetic fibers used in synthetic yarn, such as polyester or nylon, are derived from petrochemicals, which can be subject to separate

supply and price dynamics. Modern synthetic fiber manufacturing processes are highly automated and can achieve economies of scale, which can lead to lower production costs.

Despite all the difficulties faced during the year due to unfavorable international market condition and unpredictable cotton prices, Your Company has never slow down the production and tried to mitigate it and entered in to new markets, delivering best quality products and adopting better marketing strategies.

Government Grants and Policies:



Government policies play an important role in shaping the future of the textile industry in India. The government has recognized the potential of the industry and has implemented various policies to promote its growth and competitiveness in the global market. Also, the government has announced incentives and tax breaks to promote exports and attract foreign investment in the textile sector. These policies aim to boost India's exports and position it as a global textile hub.

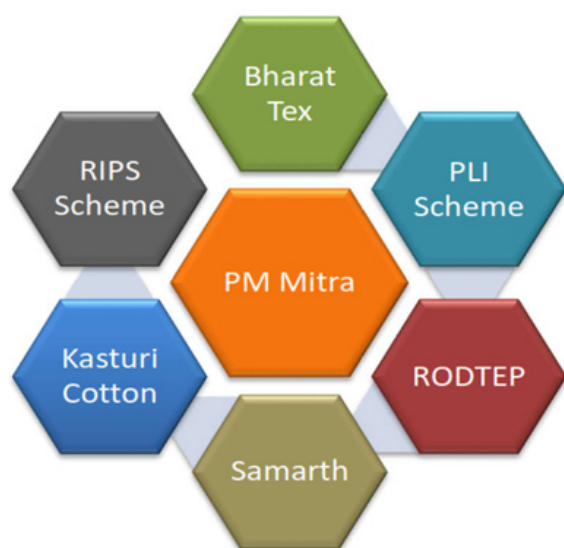
Pivotal government policies and initiatives are steering the future of India's textile industry. Key

programs like **"Make in India"** are fostering an ecosystem of innovation and investment. Additionally, the textile policy and the production-linked incentive scheme aim to boost competitiveness and attract investments. At the same time, the Technical Textiles Mission seeks to promote advanced textile applications in various sectors. The government's plans for 75 textile hubs, skill development programs, and encouragement of FDI and JVs further contribute to the industry's growth, supporting innovation, productivity, and global competitiveness.

The government has been implementing various policy initiatives and schemes to encourage cotton spinning millers in the country, including the

ANNEXURE-V (Contd.)

announcement of key reforms under a Special Package that includes additional incentives under the Amended Technology Upgradation Fund Scheme (ATUFS), relaxation of Section 80JJAA of the Income Tax Act, and the introduction of fixed-term employment for the apparel sector. Under the Market Access Initiative (MAI) Scheme, the government offers rebates on state and central taxes and levies that are integrated into production, as well as aid to exporters. Schemes like SAMARTH (Scheme for Capacity Building in the Textile Sector) aim to address the shortage of skilled workers in the textile sector with a target of training 10 lakh people. The Cott-Ally mobile app was created to help farmers by providing information on minimum support prices (MSP), locating nearby procurement centers, tracking payments, sharing best farming practices.



Bharat Tex:

BHARAT TEX 2025, a global textile mega event organized by a consortium of 11 Textile Export Promotion Councils and supported by the Ministry of Textiles was held from February 14-17, 2025 in New Delhi. Bharat Tex 2025 event was having 5000+ Exhibitors, 12000+ Textile Products, 6000+ Overseas Buyer, 1,20,000+ Trade Visitors and 70+ Knowledge Sessions in a single roof having area of 2,20,000 Sq. Meters with a focus on sustainability and resilient supply chains, it promises to be a tapestry of tradition and technology attracting the best and the brightest from the textile world. It has dedicated pavilions on Sustainability and

Recycling, thematic discussions on resilient global supply chains and digitization, interactive fabric testing zones, product demonstrations and master-classes by crafts persons and events involving global brands and international designers. Bharat Tex 2025 was a unique experience for knowledge, business and networking.



PLI Scheme:

The Government has approved the Production Linked Incentive (PLI) Scheme for Textiles with an approved outlay of ₹ 10,683 crore over a five year period to promote production of MMF Apparel, MMF Fabrics and products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive. The Scheme has two parts: Part-1 envisages a minimum investment of ₹ 300 crore & minimum turnover of ₹ 600 crore per company and Part-2 envisages a minimum investment of ₹ 100 crore & minimum turnover of ₹ 200 crore per company.

Rajasthan Investment & Promotion Scheme (RIPS):

The Rajasthan Investment Promotion Scheme (RIPS-2022) provides various benefits and subsidies to promote investments in the state. The policy offers several incentives, including exemptions from Stamp Duty and Conversion Charges on land, Capital Subsidy, Interest Subsidy, exemption from Electricity Duty, Investment Subsidy, and Turnover-linked incentives. During the year, your company also received the Entitlement Certificate for various subsidies under the scheme for the expansion project of 41,472 spindles of Compact Cotton Yarn, which commenced on 31st January 2024.

Remission of Duties or Taxes on Export Product (RoDTEP):

The government of India introduced a new scheme, named RoDTEP, in September 2019 and released a budget allocated of ₹ 500 billion, in a move to replace MEIS and RoSL (only refunds state taxes).



ANNEXURE-V (Contd.)

The new scheme is in terms with the conditions of the WTO, where incentives cannot be provided, but the taxes incurred during the process can be refunded. Hence, the government plans to refund all state (RoSL) and Central government taxes incurred by the export players during the manufacturing process of RMG. According to the government, this new scheme would “adequately compensate” for the current 6% (4% MEIS and 2% RMG) benefits being availed of by the RMG exporters and help them stay competitive enough in the international trade market.

PM Mitra:

The Government has launched PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme to develop world class infrastructure including plug and play facility with an outlay of ₹ 4445 crores for a period up-to 2027-28. PM MITRA Parks Scheme are inspired by the 5F vision of Hon'ble Prime Minister - Farm to Fibre to Factory to Fashion to Foreign. Nearly ₹ 70,000 crore investment and 20 lakhs employment generation is envisaged. Parks will offer an opportunity to create an integrated textiles value chain right from spinning, weaving, processing/dyeing and printing to garment manufacturing at a single location. World-class industrial infrastructure would attract cutting edge technology and boost FDI and local investment in the sector. Centre and States to form SPVs for setting up PM MITRA Parks. These parks will be developed in PPP mode.

SAMARTH:

The Government with a view to enhance the skills of the workforce in the textile sector has formulated Samarth Scheme under a broad skilling policy framework with the objective of providing opportunity for sustainable livelihood. The implementation period of the scheme is upto March 2024.

The scheme aims to provide demand driven and placement oriented National Skill Qualification Framework (NSQF) compliant skilling programmes to incentivize and supplement the efforts of the industry in creating jobs in the organised textile sector and related sectors, covering the entire value chain of textiles excluding spinning & weaving and in addition it also provides skilling and skill-upgradation in the traditional textile sectors.

Kasturi Cotton Bharat:

Kasturi Cotton Bharat programme of Ministry of Textiles is a first of its kind branding, traceability

and certification exercise carried out jointly by the Government of India, Trade Bodies and Industry to promote Indian Cotton. Stakeholders across the supply chain including farmers, Ginning Units, Spinning Mills, Processing Houses, Weaving Units, Garmenting Units, Home Textile manufacturers and even Retailers and Brands will be involved in a collaborative effort to promote and enhance the value of Indian Cotton across the domestic and overseas markets. To encourage the Trade and Industry to work on the principle of self-regulation by owning complete responsibility of Traceability, Certification and Branding of Kasturi Cotton Bharat, MoU has been signed between CCI on behalf of Govt. of India, Ministry of Textiles and TEXPROCIL.

Other Grants & Incentives:

Scaling-up organic cotton industry:

- Cott-Ally mobile app has been developed for farmers to increase awareness about MSP rates, nearest procurement centers, payment tracking, best farm practices etc.
- the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (₹ 15.32 crore) to enhance the yield of organic cotton.

Innovations to create sustainable textiles:

- Many Indian textile players are now opting for sustainable production. BRFL Textiles Private Limited (BTPL), India's largest fabric processing facility, has introducing a new sulphur dyeing process involving continuous dyeing without requiring water. BTPL is the first company in the textile sector to implement this new process of dyeing, making it the pioneer of this innovative sustainable process.
- Amended Technology Upgradation Fund Scheme (ATUFS)
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.

GLOBAL OUTLOOK

Cotton Yarn Market Size 2025 And Growth Rate:

The cotton yarn market size has grown strongly

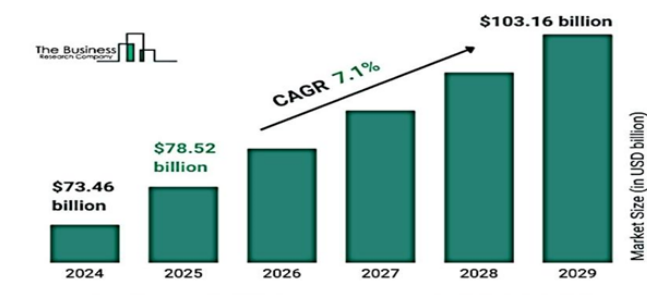
ANNEXURE-V (Contd.)

in recent years. It has grown from \$73.46 billion in 2024 to \$78.52 billion in 2025 at a compound annual growth rate (CAGR) of 6.9%. The growth in the historic period can be attributed to textile industry growth, natural fiber preference, global cotton production, cotton yarn innovation, affordability and accessibility.

Cotton Yarn Market Size 2025 And Growth Rate:

The cotton yarn market size is expected to see strong growth in the next few years. It will grow to \$103.16 billion in 2029 at a compound annual growth rate (CAGR) of 7.1%. The growth in the forecast period can be attributed to sustainable and organic trend, E-Commerce growth, regulatory emphasis on sustainable practices, demand in emerging markets, circular economy initiatives. Major trends in the forecast period include technology integration in manufacturing, sustainable and organic cotton, technological innovations in spinning processes, digitalization in supply chain management, fluctuations in cotton prices and global trade dynamics.

Cotton Yarn Global Market Report 2025



India aims to achieve a prominent global position in manufacturing and exports of different types of textiles including jute, silk, cotton and wool. India has the potential to increase its textile exports in the next five years. Exports of Cotton yarns are a significant component of India's export basket, as it plays a vital role in boosting the domestic economy.

Cotton Yarn Market Driver: Growing Textile Industry Demand Propels Cotton Yarn Market Expansion:

The increasing demand from the textile industry is expected to propel the growth of the cotton yarn market going forward. Textile refers to any material that is made from fibers or yarn that are spun, woven, knitted, or otherwise formed into a fabric or cloth.

Cotton yarn is a popular and widely used material in the textile industry. It is made by spinning together the individual fibers of cotton into a continuous thread or yarn. This yarn can then be used to create a wide range of different textile products, such as clothing, bedding, and home decor. Cotton yarn is popular among textile manufacturers because of its durability, breathability, and softness, so these factors boost the cotton yarn market. For instance, In May 2023, according to the National Council of Textile Organizations (NCTO) is a US-based trade association that representing textile industry, in 2022, the estimated value of U.S. shipments in the man-made fiber, textile, and apparel sector reached \$65.8 billion, showing an increase from the \$64.04 billion recorded in 2021. Notably, U.S. exports in textiles and apparel to the Western Hemisphere experienced a significant rise of 14.9%, reaching a total of \$18 billion in 2022. Therefore, the increasing demand from the textile industry is driving the growth of the cotton yarn market.

Global Cotton Yarn Market Trend: Innovations In The Cotton Yarn Production:

Major companies operating in the cotton yarn market are focusing on developing innovative yarn types, such as compact spun yarns and blended yarns, to enhance fabric quality and meet growing industry demands. Compact spun yarns enhance fabric quality by minimizing imperfections, resulting in superior strength, smoothness, and durability. In light of this, your company has also expanded with the addition of 41,472 spindles of Compact Cotton Yarn, commissioned on 31st January 2024, to deliver better quality to the world.

The Blended yarns combine natural fibers such as cotton with synthetic materials, providing improved sheen, strength, and a softer feel. For instance, in June 2024, Gimatex Industries Pvt. Ltd., an India-based textile manufacturer, launched two innovative types of yarns, Siro Compact Yarns and Chief Value Cotton (CVC) Yarns. These yarns enhance fabric quality and meet industry demands by utilizing compact spinning technology to reduce imperfections, resulting in superior strength, smoothness, and durability. The CVC Yarns combine a cotton-like touch with polyester for improved sheen and strength.

Regional Outlook for The Global Cotton Yarn Market:

North America was the largest region in the cotton yarn market in 2024. The regions covered in the



ANNEXURE-V (Contd.)

cotton yarn market report are Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, Africa.

The countries covered in the cotton yarn market report are Australia, Brazil, China, France, Germany, India, Bangladesh (Cotton Yarn Importer), Indonesia, Japan, Russia, South Korea, UK, USA, Canada, Italy, Spain.

Bangladesh Crisis:

Textile and garment industry of Bangladesh is a vital pillar of its economy that accounts for over 80% of the country's total export earnings and contributes approximately 11% to the GDP. The industry employs millions of people.

The sector faced a severe crisis due to a volatile mix of political unrest marked by violent protests, and catastrophic floods in August. The situation threatened to unravel the years of growth and global presence of the sector. The unprecedented anti-government protests led to resigning and fleeing of reigning Prime Minister from the country. The political unrest disrupted factory operations as they were forced to close during the peak season of Christmas shipments and the booking of next season's orders. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) estimated a shortfall of 6,400 crore (\$534 million) due to shutdowns and communication breakdowns disrupting both export activities and production, resulting in an expected shortfall of nearly \$45 billion in export target for 2024.

India is also a major cotton yarn exporter to Bangladesh, and your company has also exported to Bangladesh during the year. However, there has been no impact on the company's payments, and no significant effect has been observed on its operations, as all exports to Bangladesh are made on a 100% Letter of Credit (LC) basis, ensuring full security in the payment terms.

Segment Reporting

Yarn is the core of all fabrics- be it garments or home furnishings. The Company Produces "**Cotton Yarn**" using Cotton as raw material. We can call it a 'Sustainable Yarn' production because it has been manufactured keeping environment, humans and the economy in balance. Our yarns do not deplete the earth's resources or cause carbon footprints. They are organically grown or manufactured by recycling.

As the Company is manufacturing only the one

product i.e. Cotton Yarn, Therefore, segment/product-wise details are not applicable.

Global Competitors



India has the world's second largest spinning capacity after China, commanding a share of the global Cotton Yarn market – currently producing over 4700 Mn. Kgs of spun yarn of which over 3,400 Mn. Kgs is cotton yarn. Cotton Yarn accounts for nearly 73% of total spun yarn production. Indian Spinning Industry is the most modern and efficient in the world.

India produces a comprehensive range of yarns for every conveyable end use – non-spun or open-end; combed or carded, basic, compact, mélange or fancy. India's 1943 spinning mills produce them all for requirements ranging from a fine 200 count to a coarse 2 count.

Given the wide range of uses for cotton yarn, from baby clothes to towels, the demand for this versatile material continues to grow. The global cotton yarn market, currently valued at approximately \$65.50 billion, is projected to reach \$108.99 billion by 2030. This growth is driven by rising apparel consumption, increased cotton production, and growing demand from key importers such as China and Bangladesh. However, fluctuations in cotton prices, along with external factors like weather conditions, trade policies, and geopolitical tensions, contribute to the volatility of cotton yarn prices. Understanding these dynamics is essential for analyzing the future of the cotton yarn industry and its role in global trade.

India holds a dominant position in global cotton yarn exports, commanding a significant 31.2% share of the market. As one of the largest producers of cotton yarn, India's output for 2023- 2024 is approximately 5,185 million kilograms, placing it among the top producers globally. With the world's second-largest spinning capacity, second only to China, India has established itself as a critical supplier of cotton yarn to the international market.

ANNEXURE-V (Contd.)

China, on the other hand, is also a major producer of cotton yarn. Despite its large-scale production, China's share of cotton yarn exports varies across different categories. For pure cotton yarn, China accounts for around 5.5% of global exports, while for other yarn variants, it ranks as the second-largest exporter. This nuanced export profile highlights China's significant presence in the cotton yarn market, though its dominance in production does not always translate into export leadership across all product types.

Today, Indian yarn is widely accepted in International markets as the exporters here regularly meet the needs of importers with unmatched efficiency and economy in countries like USA, Italy, Spain, Japan, China, South Korea, Taiwan, Bangladesh, Vietnam etc.

- The Indian cotton textile industry has been facing increasing competition in world markets. This is largely due to high cost of production and consequently high prices of cotton. It is paradoxical in a country where wages are low and cotton is internally available.
- Availability of quality cotton in required volume can be made achievable through framing Government Policies for increasing the productivity of cotton on par with international producers.



India & China's yarn markets:

India is one of the largest exporters of both raw cotton and cotton yarn, with a significant portion of its cotton yarn exports concentrated in Bangladesh. Highlighting, Bangladesh's reliance on Indian cotton yarn to support its thriving textile and garment industry. Bangladesh, as a major global

hub for garment production, continues to be a key market for Indian yarn.

Other countries, such as Vietnam, also play an important role as garment production centres in Asia. While Vietnam is a notable competitor in the global textile industry, its demand for Indian cotton yarn is not as concentrated as that of Bangladesh. However, Vietnam still contributes to the broader regional dynamics of yarn trade.

Table 1: India's major export destinations

| Country | % share in India's exports |
|------------|----------------------------|
| Bangladesh | 41.70% |
| Portugal | 6.70% |
| Vietnam | 6.10% |
| Egypt | 4.60% |
| China | 4.55% |

Source: ITC Trademap

In contrast, China has a more diversified export portfolio for cotton yarn, with key markets spread across Pakistan, Bangladesh, and Vietnam. This diversification helps China maintain a steady export flow across multiple regions. However, a key factor influencing China's cotton yarn pricing is its strong domestic demand. As one of the world's largest producers of apparel, China's internal demand for cotton yarn is substantial, often driving prices in its domestic market. The high consumption of cotton yarn for domestic apparel production significantly influences both supply and pricing, making local demand a crucial factor in China's cotton yarn market dynamics.

Table 2: China's major export destinations

| Country | % share in China's exports |
|------------|----------------------------|
| Pakistan | 29.80% |
| Bangladesh | 17.40% |
| Vietnam | 13.90% |
| Hong Kong | 4.70% |
| Indonesia | 4.30% |

Source: ITC Trademap

Key factors influencing yarn prices in India and China:



ANNEXURE-V (Contd.)

From 2015 to 2019, cotton yarn prices in China remained relatively stable, largely due to consistent demand from major textile-producing nations. This steady demand helped maintain balanced market conditions, preventing significant price fluctuations during this period.

In 2020, however, cotton yarn prices declined sharply as the COVID-19 pandemic caused widespread economic disruption. Supply chain issues, production slowdowns, and uncertainty surrounding Chinese trade policies severely impacted the market. The closure of borders and reduced production levels in China further destabilised the economy, leading to reduced demand from importing countries and a subsequent drop in prices.

In 2021, cotton yarn prices surged as global economies began to recover from the pandemic. Garment-producing countries experienced a sudden spike in demand for textile products, including masks and other essentials, resulting in a sharp increase in cotton yarn prices to meet these large-scale orders.

By 2022, prices had declined again, influenced by speculations over potential sanctions on US cotton. China, a major consumer of cotton yarn, significantly reduced its imports, which exerted downward pressure on prices. The uncertainty surrounding US cotton supplies, coupled with China's reduction in imports, further contributed to the price dip.

In 2023, the downward trend in cotton yarn prices continued, partly driven by US sanctions on Chinese cotton yarn. Additionally, the rise of the "China Plus One" strategy, where countries diversified their supply chains away from China to reduce dependency, led to a decrease in demand for Chinese cotton yarn. This shift, combined with the impact of sanctions, further contributed to the decline in prices.

General inflationary trends increased production costs, which were passed on to prices. Currently, the Chinese economy is facing potential disinflation, as consumer sentiment has weakened amid a declining currency and a softening economy. Fluctuations in the Renminbi against major currencies affected export competitiveness and pricing. Currently, the Chinese currency is at risk of strengthening against major currencies globally, which could cause Chinese exports to lose their

competitiveness.

On the demand and supply front, India experienced an increase in yarn production in FY 2023, suggesting that yarn prices are likely to decrease in the near future. ICRA has forecast a further rise in cotton yarn production for the next financial year, reinforcing expectations of lower prices. Our analysis also indicates that increasing cotton yarn production in the coming years will lead to price reductions. However, if import duties on cotton are not reduced, yarn prices may still rise.

Raw material, labour and energy costs also significantly influence yarn prices. Any rise in these costs directly affects the final price of cotton yarn. With increasing cotton prices and no relief on cotton import duties, yarn prices are likely to rise. Energy costs are another key factor, with electricity accounting for 15% of the total production cost. Disparate state energy tariffs create unequal benefits for producers, prompting calls for a unified national power tariff. Additionally, rising machinery and labour costs, coupled with the need to comply with sustainability norms, are likely to drive up cotton yarn prices further.

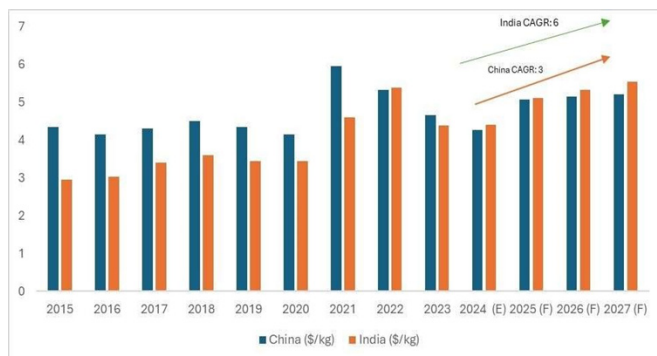
Geopolitical uncertainties may also have a significant impact on cotton yarn pricing. Current conditions in Asia, including the "China Plus One" policy and ongoing turmoil in Bangladesh, are likely to affect orders and demand for cotton yarn.

Government policies, tariffs, and trade agreements will continue to shape export prices and market dynamics. For instance, India's potential partnership with China and the proposed increase in import tariffs on man-made yarns could influence cotton yarn prices. A 10 ₹ tax on cotton yarn imports helps maintain current price levels, but allowing cheap imports from China for textile manufacturing could further pressure domestic cotton yarn prices.

Technological advancements and improved production processes may reduce costs and impact pricing, although initial investment in new technology could temporarily increase prices due to higher setup costs.

Figure 1: Pricing analysis and comparison between India and China

ANNEXURE-V (Contd.)



Source: TexPro, F2F Analysis

*E – Estimated, F – Forecast

From 2015 to 2027 (forecast), yarn prices in China have generally been higher than those in South India, ranging between \$4 to \$6 per kg, while South India's prices fluctuated from \$3 to \$6 per kg. South India consistently maintained a price advantage, particularly in 2015, 2016, 2017, 2019, and 2020, when its prices were consistently \$1 lower than China's. In 2022, the price gap narrowed, with both regions recording the same price of \$5 per kg. Looking ahead, slight variations are expected, but rising energy and labour costs are forecast to increase prices in both regions by 2027, with South India's prices projected to surpass China's at \$6 per kg. Despite this anticipated reversal, South India has historically been the more cost-effective option, attracting buyers with its competitive pricing in the global yarn market.

Strategies:

- Product development for immediate market needs
- Focused on Innovation & Technology
- Lean Manufacturing- to minimise waste and create more value-oriented products
- Building value around the commodity
- Organisational Alignment- clear assignment of duties towards every management personnel for smooth and efficient operations
- Energy- sustainable manufacturing and use of energy efficient machinery
- Assets Reliability- adopting smart machineries and incorporate artificial intelligence
- Exploring existing potential and new product

development

- Brand Building & Public Relations
- Proper Utilization of the Government Schemes & incentives
- Strong Offline and Online Marketing Strategies
- Geographical diversification
- Better Working Capital Management
- Proper mitigation of the price volatility



Strength:

- Experienced promoters with over 35 years of experience
- Successfully implemented various expansion projects
- Competitive manufacturing costs
- Automation and World's best technology
- India is the third largest producer of cotton with the largest area under cotton cultivation
- Presence of entire value chains
- Availability of skilled manpower
- Large and growing domestic market
- Rising per capita income, higher disposable incomes and preferences for brands
- India has gathered experience in terms of



ANNEXURE-V (Contd.)

working with global brands

- Easy and on-demand availability of credit



Opportunities and Threats

The textile industry as well as Company will be driven by increasing urbanisation and higher awareness of fashion trends. The future of the industry looks promising backed by Immense growth potential, consumerism, increasing population, affordability, Opportunity in European Union (EU), Product development, Government Initiatives for exports, increasing foreign investments and Diversification & rising disposable income.

The threats for the industry and the Company comprises of competition from emerging countries, especially China & Vietnam. Pricing pressures on finished goods, inflation, COVID-19 and similar pandemics, foreign exchange fluctuation, International disturbances, Political Instability, High Technological Upgradation Costs, Volatility in input cost, Supply chain disruptions, higher interest rates and power cost among others, comprise the key threats.

Company Overview

The manufacturing facility of The Company (LSL) is situated at A 51-53, RIICO Growth Centre, Hamirgarh of Bhilwara District in the Rajasthan State and spreads over 48,263 square meters. The

Company has an installed capacity of 1,920 rotors in open-end segment, 25536 spindles in ring spinning segment and 41,472 spindles in Compact Ring Spinning segment for cotton yarn having capacity to produce approx. 69.45 tons per day of high-quality yarn.

During the previous year, the company successfully commissioned the expansion project of 41,472 spindles of compact cotton yarn at a cost of ₹218 Cr., two months ahead of schedule, i.e., on 31st January 2024, without any time or cost overruns. The plant is equipped with modern, automatic machinery. The level of technological advancement directly influences the productivity of both machines and labor, which in turn affects production, operating costs, and profitability. Our technical team in spinning is highly skilled, utilizing modern spinning technologies and processing techniques that ensure the production of high-quality yarn. Thanks to the enhanced capacity resulting from the expansion project, your company has exceeded the estimated turnover.

Lagnam Spintex is currently exporting cotton yarns to countries such as Portugal, USA, Bangladesh, Poland, Peru, South Korea, Morocco, Egypt, Greece, Argentina, Turkey, Spain, Indonesia, Sri Lanka, and others. The products are widely used in industries such as apparel and garment manufacturing, industrial fabrics, towels, denims, and more.

Performance

The Company has recorded total revenue from operations during the financial year 2024-25 of ₹60,556.46 Lacs, compared to total revenue of ₹43,750.24 Lacs in the previous financial year 2023-24, registered an immersive growth of about 38%.

The EBITDA for the financial year 2024-25 is ₹6568 Lacs, compared to ₹4,537 Lacs in the previous financial year 2023-24.

The total expenses of the Company during the financial year 2024-25 amounted to ₹58,803.51 Lacs, compared to expenses of ₹41,697.12 Lacs in the previous financial year 2023-24.

The profit after tax is ₹1285.47 Lacs for the financial year 2024-25, compared to ₹1457.32 Lacs in the previous financial year 2023-24.

ANNEXURE-V (Contd.)

Ratio Analysis

| Ratios | | 31 st March 2025 | 31 st March 2024 |
|----------------------------------|---|--------------------------------|--------------------------------|
| Current Ratio | Current assets / Current liabilities | 1.06 | 1.09 |
| Debt-Equity Ratio, | Total debt / Shareholders Equity | 3.21 | 3.47 |
| Debt Service Coverage Ratio, | Earning available for debt service / debt service | 1.16 | 1.09 |
| Return on Equity Ratio, | Profit after tax / Shareholders Equity | 10.64 | 13.38 |
| Inventory turnover ratio, | Turnover / average inventory | 5.78 | 5.00 |
| Trade Receivables turnover ratio | Turnover / Average Receivable | 10.04 | 10.72 |
| Trade payables turnover ratio, | Total Purchases / Average Payable | 48.76 | 47.71 |
| Net capital turnover ratio, | Turnover / Working capital | 44.79 | 30.47 |
| Net profit ratio | PAT/ Turnover | 2.12 | 3.33 |
| Return on Capital employed, | PBIT / Capital Employed | 9.06 | 7.05 |
| Return on investment. | | N.A. | N.A. |

The explanations for the ratios having movement more than 25% are as follows:

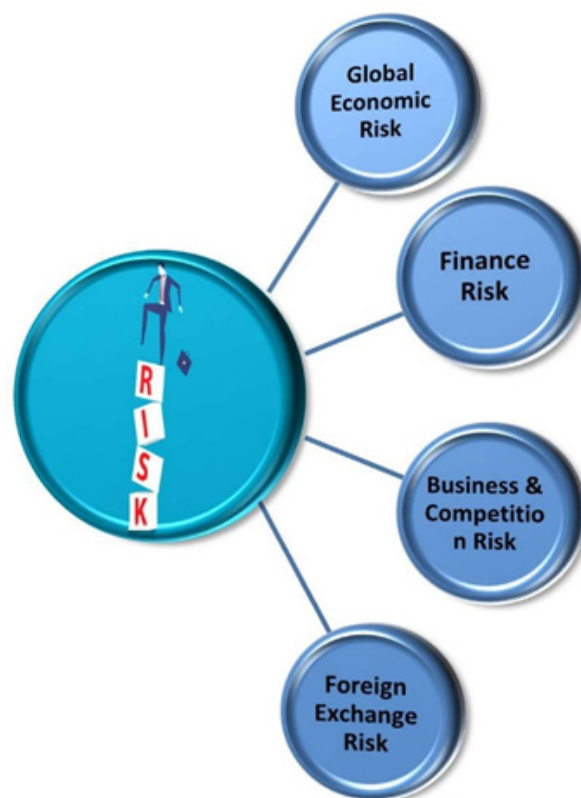
- i **Return on Capital Employed** -Due to improve in profitability the ROCE has improve by 29%
- ii **Net Capital turnover ratio**- Despite of accumulated profit been used for expansion project, from the better management of the net capital the ratio is improve to 47% i.e 44.76 times
- iii **Debt Service Coverage Ratio**- Due to Improve in profitability the DSCR has improve by 13%
- iv **Return on Equity Ratio**- The company has completed its expansion project at the end of the previous year, this year is being establishment period therefore the ROE is reduce by 20%
- v **Net Profit Ratio**- Being the establishment period of the project the net profit ratio is changed by 36 %



ANNEXURE-V (Contd.)

Risk & Concerns

The Company's processes for risk identification, assessment, mitigation, and reporting are supported by an effective framework for risk management. Indian Textile Industry continues to face stiff competition from China, Bangladesh, Taiwan and other emerging economies. The relative competitiveness of Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates regime. The primary raw material for the manufacturing of yarn is cotton which is an agriculture produce. Its supply and quality are subject to forces of nature i.e. Monsoon. Any increase in the prices of raw cotton will make the things difficult for the Textile Industry resulting weak demand and thin margins. Thus availability of raw cotton at the reasonable prices is crucial for the spinning industry. Any significant change in the raw cotton prices can affect the performance of the Industry.



There are certain key risks associated with our Company. Such risks are stated in the table below along with our mitigation strategies for curbing the same:

| Risk | Impact | Mitigation strategies |
|--|---|--|
| Global Economic Risk | A downturn in the Global Economy can adversely affect products' demand. | Our products are exported globally. We have been actively engaged in widening our geographical presence while continuously expanding our product portfolio. Not being bound to a specific region and a basket of products to offer from gives us the ability to face such downturns. |
| Finance risk due to fluctuation in Raw Material Prices | Fluctuation in cotton prices can adversely impact our Company. | Our purchasing policy allows us to enjoy control over the purchase price. We constantly track cotton prices and store the raw material as and when price decreases. This practice helps us mitigate the risk of price. |

ANNEXURE-V (Contd.)

| | | |
|-----------------------------|---|--|
| Business & Competition risk | An increase in the competition from textile industry can severely hamper our Company's market share. | The Company is a prominent player in this segment. The Company has always focused on quality products with strong brand equity. Its ability to understand the market demand and fulfil it accordingly helps them retain clients and market position. |
| Risk of foreign exchange | We generate majority of our revenue from the global operations. Given the nature of business, a large proportion of the costs are denominated in Indian rupees (INR), leading to currency exposure. | The Company mitigates its foreign exchange risk through application of hedging policy. |

Information Technology

In today's global marketplace change is inevitable and to keep ahead of this any organization must use Information Technology to drive Innovation which is the path to quick business decisions. Lagnam is a firm believer that without IT no organization can function, therefore our end-to-end Business Process Management tool based on Infor LX ERP platform went live along with our COD in 2019. After making significant investment in its IT infrastructure and solutions, Lagnam would be one of the very few manufacturing companies that has significant budget allocated for IT upgradation to adopt to ever evolving technological solutions.



As our systems are maturing, we are immensely proud to use the full potential of technology in

various day to day activities:

- ✓ We have a centralized single network infrastructure secured by a robust Firewall monitored and managed by our team on regular basis. On this network all our manufacturing machines as well as user computers are connected for ease of access
- ✓ All our end user machines and servers are protected by McAfee Enterprise level End Point Security system to safeguard any virus attacks on our network
- ✓ The management and operational team have easy access to all the operational data of various machines on the tip of their fingers at all the time for a quick proactive action.
- ✓ We have a complete HRMS and Payroll system to fully utilize our human resource potential.
- ✓ We recently invested in a customized Cotton Bale Management system to keep our product quality consistent.
- ✓ We have developed in house Open source email server to support our BPM system to send out reports by department to everyone at the end of the day to take corrective actions as and when required.
- ✓ Use of collaborative tools for easy information sharing across various departments.

ANNEXURE-V (Contd.)

Internal Control System

Your Company has been regularly reviewing and updating its internal controls by benchmarking against the industry standards. Dynamics of changing business requirements, statutory compliances and corporate governance are adopted in existing systems after careful review to remain in line with compliance requirements and expectations of business partners like customers and institutions. Senior management monitors the recommendations of internal audits for continuous system updating. IT System infrastructure is updated regularly to support business decision making as well as better controls.

Human Resources



Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavouring in fostering high performance culture in the organization.

At LAGNAM, People are the most important pillars of the Company's success. Their relentless efforts and dedication enables the Company to progress. LAGNAM is committed to providing its people with a nurturing environment, enabling them to unleash their full potential. The Company provides them with the tools of continuous learning and upskilling through a structured learning and development process. To attract, retain and develop its talent pool, the Company

has consistently recognized talent, imparted training, and followed the golden principle of rewarding performance. Besides, it is committed to individual well-being and safety at the workplace and it is proud to attract the talent that it needs for future growth. The Company has cordial and harmonious industrial relations at all levels of organizations. The company believes that the industry has the tremendous potential to impact the society, nation and the world positively. The Company's employee strength stood at around 864 as on 31st March, 2025.

Environment and Safety

The need for environmentally clean and safe operations is company's key priority. The Company policy requires the conduct of all operations in such a manner so as to ensure the safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

Cautionary Statement

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which we operate. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

ANNEXURE-VI

Particulars of Employees

[As per section 197(12) read with the Rule 5 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Ratio and remuneration of Directors & KMPs

| S.N. | Name | Designation | Date of commence ment of Employment/ Directorship | Qualification | Age (In years) | Working Experi- ence (In Years) | Remune- ration For the year 2024-25 (₹ In Lacs) | Ratio Between Director or KMP and Median Employee |
|----------------|----------------------------|--------------------------|---|---|----------------------|---|---|--|
| 1 | Mr. D. P. Mangal | Executive Chairman | 11/06/2010 | Chartered Accountant | 76 | 43 | 86.31 | 44.26:1 |
| 2 | Mr. Anand Mangal | Managing Director | 12/06/2010 | BSC (Honors) in Business & Management Studies from University of Bradford, UK | 42 | 21 | 62.34 | 31.96:1 |
| 3 | Mr. Shubh Mangal* | Executive Director (WTD) | 21/02/2020 | Masters in Management and Information Systems from Case Western Reserve University, USA | 47 | 25 | 68.15 | 34.95:1 |
| 4 [^] | Mr. Vijay Singh Bapna | Independent Director | 23/12/2017 | Chartered Accountant | 76 | 49 | 2.00 [^] | N.A. |
| 5 [^] | Mr. Jagdish Chandra Laddha | Independent Director | 10/02/2018 | Chartered Accountant | 75 | 49 | 1.95 [^] | N.A. |
| 6 [^] | Mr. Anil Shah | Independent Director | 10/02/2018 | Chartered Accountant | 72 | 43 | 1.95 [^] | N.A. |
| 7 [^] | Ms. Dipali Mathur | Independent Director | 10/02/2018 | PGDBM | 43 | 21 | 1.01 [^] | N.A. |
| 8 | Mr. Devi Lal Mundra | Chief Financial Officer | 01/02/2018 | B.Com | 64 | 40 | 17.46 | 8.95:1 |
| 9 | Mr. Rajeev Parashar | Company Secretary | 01/02/2018 | CS, LL.B., B.Com | 32 | 9 | 8.97 | 4.59:1 |

[^] Remuneration in the form of Sitting Fees to attend meetings as an Independent Director.

ANNEXURE-VI (Contd.)

B. Percentage increase in the median remuneration of employees in the financial year :-

The median remuneration of the employees in current financial year has increased by 5.76%.

C. Number of permanent employees on the rolls of company -

As on 31st March, 2025 the total number of employees on the roll was 857.

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

Average % increase in the salary of employees other than Managerial Personnel: - 6.82%

Average % increase/(Decrease) in the Salary of the Managerial Personnel: - 9.38%

E. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms that remuneration is as per the remuneration policy of the Company

For and on Behalf of the Board of Directors

Place : Bhilwara
Date : 16th April 2025

D. P. Mangal
Executive Chairman
DIN: 01205208

INDEPENDENT AUDITOR'S REPORT

To,
The Members,]
Lagnam Spintex Limited,

Opinion

We have audited the accompanying Standalone Financial Statements of **LAGNAM SPINTEX LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements')

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

We have determined that there are no key audit matters to be communicated in our report.

Information other than the financial statements and auditors' report thereon

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company



INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Emphasis of Matters

The Company has provided depreciation on Plant and Machinery considering the same as 'Continuous Process Plant' based on technical expert's advice. This being a technical matter, no opinion is expressed thereon. Refer note no.1-VI & 2 to the accompanying financial statements.

Our opinion is not qualified in respect of this matter.

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-I 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the

Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2015, as amended.

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

According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the companies Act, 2013.

- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 37 to the standalone 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.



INDEPENDENT AUDITOR'S REPORT (Contd.)

- (iv) According to management representation, information and explanation given to us and based on our examination of the records of the Company, the company has not advanced or loaned or invested any fund to or in any other person(s) or entity(ies) during the year.
- (v) According to management representation, information and explanation given to us and based on our examination of the records of the Company, the company has not received any fund from any other person(s) or entity(ies) during the year to lend or invest or provide guarantee or security to or in other persons or entities.
- (vi) The company has complied the provisions of sec 123 of Companies Act, 2013 on declaration of dividends during the year.
- (vii) According to management representation and on the basis of our examination which includes test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions related to books of accounts. The audit trail has not been tampered and has been preserved by the company as per statutory requirements.

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No.005341C

Rahul Parmanandani
(Partner)

Place : Bhilwara
Date : 16th April 2025 Membership No. 431503
UDIN : 25431503BMHVGZ4468

ANNEXURE I

TO AUDITOR'S REPORT

The Annexure referred to in our report of even date to the members of **Lagnam Spintex Limited** on the accounts of the company for the year ended 31st March, 2025. We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of Intangible Assets;
- (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals, no any material discrepancies were noticed on such verification;
- (c) The title deeds of all the Immovable properties are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per the information given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management. No any material discrepancies were noticed on physical verification.
- (b) Quarterly returns or statements filed by the company with banks those sanctioned working capital limits to the company, are in agreement with the books of accounts of the Company.
- (iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited liability partnerships or other parties during the year.
- (iv) The company has not entered any transaction in respect of loans, investments,

guarantees and security covered under section 185 and 186 of the Companies Act, 2013.

- (v) The company has not accepted deposits or amounts which are deemed to be deposits under provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made there under.
- (vi) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the records of company, particulars of statutory dues which have not been deposited on account of any dispute are as under:-

| Sr. No. | Name of Statute | Nature of Due | Amount (Rs. In Lac) | Forum where dispute is pending |
|---------|----------------------|-------------------------|------------------------|---|
| 1. | Income Tax Act, 1961 | Tax Interest | 29.12 26.40 | Commissioner Appeal, Ajmer |
| | | Tax | 7.56 | ITAT, Jodhpur |
| 2. | GST Act | Tax Penalty | 2.90 2.90 | Dy. Commissioner Appeals, SGST, Rajkot |
| | | Tax Interest Penalty | 45.51 44.73 4.48 | Addl. Commissioner Appeals, SGST, Ajmer |



ANNEXURE I

TO AUDITOR'S REPORT (Contd.)

- (viii) According to the information and explanations given to us, the company has not surrendered or disclosed any transaction not recorded in books of account as income during the year in the tax assessments under the Income Tax Act, 1961.
- (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 other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us, during the year the company has obtained term loans for capital expansion plans & other working capital loans for the purpose of working capital and are applied for the purpose for which the same were obtained.
- (d) According to the information and explanations given to us, the company has not utilized any short term fund for long term purposes.
- (e) The Company does not have any subsidiaries, associates or joint ventures, hence para (e) and (f) are not applicable to the company.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) In our opinion and according to the information and explanations given to us, there is no fraud by the company or any fraud on the Company has been noticed or reported during the year.
- (b) There is no case, hence no report under sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014.
- (c) According to information and explanations given to us, no whistleblower complaints are received during the year.
- (xii) The company does not fall under the category of Nidhi Company, hence provisions specified in Nidhi Rules, 2014 are not applicable to the company.
- (xiii) The company has complied the provision of sections 177 and 188 of Companies Act 2013 on all transactions with the related parties and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The company has an internal audit system commensurate with size and nature of its business in accordance with section 138 of Companies Act, 2013.
- (b) We have considered the reports of the Internal Auditors issued for the period under audit.
- (xv) In our opinion and according to information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of Companies Act, 2013.
- (xvi) (a) The Company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence para (c) and (d) is not applicable to the company.

ANNEXURE I

TO AUDITOR'S REPORT (Contd.)

- (xvii) The Company has neither incurred cash loss in current financial year nor in the immediately preceding financial year.
- (xviii) There has been resignation of statutory auditor during the year due to completion of two consecutive terms of 5 years. No objections or concerns are raised by outgoing auditors in their resignation letter.
- (xix) In our opinion, on the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) The company does not have any unspent amount to transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) The company does not have any ongoing project as specified in sub-section (5) of section 135 of the said Act.
- (xxi) The company does not have consolidated financial statements, hence this para is not applicable to the company.

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No.005341C

Rahul Parmanandani
(Partner)

Place : Bhilwara
Date : 16th April 2025
UDIN : 25431503BMHVGZ4468



ANNEXURE II

TO AUDITOR'S REPORT

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

Opinion

We have audited the internal financial controls over financial reporting of Lagnam Spintex Limited, Bhilwara ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued

by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

ANNEXURE II

TO AUDITOR'S REPORT (Contd.)

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 the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper

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

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No.005341C

Rahul Parmanandani
(Partner)

Place : Bhilwara

Date : 16th April 2025

UDIN : 25431503BMHVGZ4468

Membership No. 431503



Balance Sheet

as at 31st March 2025

(₹. in Lacs)

| Particulars | Note No. | As at 31 st March 2025 | As at 31 st March 2024 |
|---|----------|-----------------------------------|-----------------------------------|
| I ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 2 a | 33281.76 | 34607.13 |
| (b) Right to use assets | 2 b | 648.12 | 655.20 |
| (c) Other intangible assets | 2 c | 99.07 | 113.77 |
| (d) Capital work-in-progress | 2 d | - | - |
| | | 34028.95 | 35376.10 |
| (e) Financial assets | | | |
| (i) Investments | 3 | 16.23 | 14.18 |
| (ii) Fixed Deposit with Banks | 3 | 9.20 | 7.94 |
| | | 25.43 | 22.12 |
| (f) Other non-current assets | 4 | 61.19 | 80.72 |
| 2 Current assets | | | |
| (a) Inventories | 5 | 11820.04 | 9140.89 |
| (b) Financial assets | | | |
| (i) Trade receivables | 6 | 6742.77 | 5318.96 |
| (ii) Cash and cash equivalents | 7 | 4.74 | 24.23 |
| (iii) Bank balances other than (ii) above | 8 | 4.60 | 4.07 |
| (iv) Other financial assets | 9 | 397.94 | 287.48 |
| (c) Current tax assets (net) | 10 | 162.61 | 149.75 |
| (d) Other current assets | 11 | 3776.02 | 2944.75 |
| | | 22908.72 | 17870.13 |
| | | 57024.29 | 53349.07 |
| II EQUITY AND LIABILITIES | | | |
| A Equity | | | |
| (a) Equity share capital | 12 | 1766.90 | 1766.90 |
| (b) Other equity | 13 | 10319.99 | 9128.20 |
| | | 12086.89 | 10895.10 |
| B Liabilities | | | |
| 1 Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 | 20164.42 | 23365.87 |
| (b) Provisions | 15 | 181.43 | 123.83 |
| (c) Deferred tax liabilities (net) | 16 | 3034.78 | 2530.12 |
| | | 23380.63 | 26019.82 |
| 2 Current Liabilities | | | |

Balance Sheet

as at 31st March 2025 (Contd.)

| Particulars | Note No. | As at 31 st March 2025 | As at 31 st March 2024 |
|---|----------|-----------------------------------|-----------------------------------|
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | 18685.07 | 14408.94 |
| (ii) Trade payables | 18 | | |
| a Total outstanding dues of micro enterprises and small enterprises; | | 25.62 | 97.88 |
| b Total outstanding dues of creditors other than micro enterprises and small enterprises; | | 1429.68 | 410.80 |
| (iii) Other financial liabilities | 19 | 1284.10 | 1364.38 |
| (b) Other current liabilities | 20 | 69.82 | 85.48 |
| (c) Provisions | 21 | 62.48 | 54.55 |
| (d) Current tax liabilities (net) | 22 | - | 12.12 |
| | | 21556.77 | 16434.15 |
| | | 57024.29 | 53349.07 |

See accompanying notes forming part of financial statements

As per our report of even date

For and on behalf of the Board

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No. 005341C

D.P.Mangal
(Executive Chairman)
(DIN01205208)

Anand Mangal
(Managing Director)
(DIN 03113542)

Rahul Parmanandani
(Partner)
Membership No. 431503

Rajeev Parashar
(Company Secretary)

D L Mundra
(Chief Financial Officer)

Date : 16th April ,2025
Place : Bhilwara



Lagnam Spintex

Statement of Profit and Loss

for the year ended 31st March 2025

(₹ in Lacs)

| Particulars | Note No. | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---|----------|--------------------------------------|--------------------------------------|
| I. Revenue from operations | 23 | 60556.46 | 43750.24 |
| II. Other Income | 24 | 37.18 | 28.74 |
| III. Total Revenue (I+II) | | 60593.64 | 43778.98 |
| IV. Expenses: | | | |
| Cost of material consumed | 25 | 44092.69 | 33035.83 |
| Change in inventories of finished goods, work-in-progress and stock- in- trade | 26 | (271.71) | 921.23 |
| Employee benefits expense | 27 | 2447.58 | 1241.91 |
| Finance costs | 28 | 3098.25 | 1526.12 |
| Depreciation and amortization expense | 29 | 1679.24 | 928.62 |
| Other expenses | 30 | 7757.46 | 4043.41 |
| Total Expenses | | 58803.51 | 41697.12 |
| V. Profit before tax (III-IV) | | 1790.13 | 2081.86 |
| VI. Tax expense: | 31 | | |
| Current Tax | | 291.70 | 343.58 |
| MAT Credit Entitlement | | (291.70) | (343.58) |
| Earlier year Tax | | - | (17.72) |
| Deferred Tax | | 504.66 | 642.26 |
| VII. Profit (Loss) for the period (V -VI) | | 1285.47 | 1457.32 |
| VIII Other comprehensive income | 32 | | |
| a (i) Items that will not be reclassified to profit or loss | | (5.33) | 8.94 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss (Net of MAT credit Entitlement) | | - | - |
| b (i) Items that will be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total other comprehensive income | | (5.33) | 8.94 |
| IX Total Comprehensive Income (VII+VIII) | | 1280.14 | 1466.26 |
| Earnings per equity share - Annualized: (Basic & Diluted) | | 7.28 | 8.25 |

See accompanying notes forming part of financial statements

As per our report of even date

For and on behalf of the Board

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No. 005341C

D.P.Mangal
(Executive Chairman)
(DIN01205208)

Anand Mangal
(Managing Director)
(DIN 03113542)

Rahul Parmanandani
(Partner)
Membership No. 431503

Rajeev Parashar
(Company Secretary)

D L Mundra
(Chief Financial Officer)

Date : 16th April ,2025
Place : Bhilwara

Statement of Cash Flow

For The Year Ended 31st March, 2025

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|--|---|---|
| A. Cash Flow From Operating Activities | | |
| a. Net operating profit before tax | 1790.13 | 2081.86 |
| Adjustment for : | | |
| Depreciation and amortisation of Property, Plant and Equipment | 1679.24 | 928.62 |
| Interest Income | (37.18) | (18.52) |
| Finance cost | 3098.25 | 1526.12 |
| (Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net) | 15.86 | - |
| Re-measurement gain / loss on routed through OCI | (5.33) | 8.94 |
| Provision for employees benefits | 65.53 | 35.67 |
| b. Operating profit before Working Capital changes | 6606.50 | 4562.69 |
| Adjustment for : | | |
| (Increase) / Decrease in Inventories | (2679.15) | (772.32) |
| (Increase) / Decrease in Trade receivables | (1423.81) | (2477.01) |
| (Increase) / Decrease in Other Assets (Non Current) | 19.53 | 1309.58 |
| (Increase) / Decrease in Other financial assets (Current) | (110.46) | (11.94) |
| (Increase) / Decrease in Other Current Assets | (539.57) | (811.12) |
| Increase / (Decrease) in Trade payables | 946.62 | 14.48 |
| Increase / (Decrease) in Other financial liabilities | (80.28) | 646.04 |
| Increase / (Decrease) in Other Current liabilities | (15.66) | 35.54 |
| c. Cash generated from Operations before tax | 2723.72 | 2495.94 |
| d. Net Direct Taxes paid | (316.67) | (315.14) |
| Net cash from operating activities - (A) | 2407.05 | 2180.80 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment. | (347.96) | (20052.96) |
| Net Purchase and Sale of Investments | (2.05) | 12.96 |
| Fixed Deposit with bank more than 12 months | (1.26) | (7.94) |
| Interest Income | 14.49 | 18.52 |
| Net cash flow used in investing activities - (B) | (336.78) | (20029.42) |



Lagnam Spintex

Statement of Cash Flow

For The Year Ended 31st March, 2025 (Contd.)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---|---|---|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of non current borrowings | (2815.99) | (2729.22) |
| Proceeds from non current borrowings | 253.98 | 16493.38 |
| Proceeds / (repayment) of short term borrowings (net) | 3636.69 | 5620.07 |
| Interest Income | 22.69 | - |
| Dividend Paid | (88.35) | - |
| Finance cost | (3098.25) | (1526.12) |
| Net cash used in financing activities - (C) | (2089.23) | 17858.11 |
| Net increase / (decrease) in cash and cash equivalents - (A+B+C) | (18.96) | 9.49 |
| Opening cash and cash equivalents | 28.30 | 18.81 |
| Closing cash and cash equivalents | 9.34 | 28.30 |

As per our report of even date

For and on behalf of the Board

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No. 005341C

D.P.Mangal
(Executive Chairman)
(DIN01205208)

Anand Mangal
(Managing Director)
(DIN 03113542)

Rahul Parmanandani
(Partner)
Membership No. 431503

Rajeev Parashar
(Company Secretary)

D L Mundra
(Chief Financial Officer)

Date : 16th April ,2025
Place : Bhilwara

Statement of changes in equity

for the year ended 31st March, 2025

A. Equity share capital

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | | As at 31 st March 2024 | |
|---|--------------------------------------|----------------|--------------------------------------|----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the reporting period | 17669000 | 1766.90 | 17669000 | 1766.90 |
| Balance at the end of the reporting period | 17669000 | 1766.90 | 17669000 | 1766.90 |

B. Other equity

(₹ in Lacs)

| Particulars | Reserve and surplus | | | | Total |
|---|-----------------------|--------------------|----------------------|--------------------------------------|-----------------|
| | Securities premium | Capital reserve | Retained earnings | Other compre hensive income | |
| Balance as at 31st March, 2023 | 1655.20 | 23.00 | 5983.74 | - | 7661.94 |
| Profit for the year | | | 1457.32 | | 1457.32 |
| Re-measurement gains / (losses) on defined benefit (Net of tax) | | | 8.94 | | 8.94 |
| Effective portion of cash flow hedge (Net of tax) | | | | - | - |
| Total comprehensive income for the year | - | - | 1466.26 | - | 1466.26 |
| Payment of dividend | | | - | | - |
| Balance as at 31st March, 2024 | 1655.20 | 23.00 | 7450.00 | - | 9128.20 |
| Profit for the year | | | 1285.47 | | 1285.47 |
| Re-measurement gains / (losses) on defined benefit (Net of tax) | | | (5.33) | | (5.33) |
| Effective portion of cash flow hedge (Net of tax) | | | | - | - |
| Total comprehensive income for the year | - | - | 1280.14 | - | 1280.14 |
| Payment of dividend | | | 88.35 | | 88.35 |
| Balance at 31st March, 2025 | 1655.20 | 23.00 | 8641.79 | - | 10319.99 |

As per our report of even date

For and on behalf of the Board

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No. 005341C

D.P.Mangal
(Executive Chairman)
(DIN01205208)

Anand Mangal
(Managing Director)
(DIN 03113542)

Rahul Parmanandani
(Partner)
Membership No. 431503

Rajeev Parashar
(Company Secretary)

D L Mundra
(Chief Financial Officer)

Date : 16th April ,2025
Place : Bhilwara

Accounting Policies

for the year ended 31st March, 2025

1. Company Overview and Accounting Policies

A. Corporate Information

Lagnam Spintex Limited (the “Company”), incorporated on 11th June, 2010, is a Company domiciled in India and limited by shares (CIN: L17119RJ2010PLC032089). The address of the Company’s Registered Office is A 51-53, RIICO Growth Centre, Hamirgarh, Bhilwara – 311001, Rajasthan. The Company is engaged in manufacturing of Cotton Yarn. The Company is listed at National Stock Exchange of India Limited.

B. Significant Accounting Policies

I. Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013(‘the Act’) read with the Rule 3 of the Companies (Indian Accounting Standard) Rules 2015 as amended from time to time and guidelines issued by the Securities and Exchange Board of India (SEBI).

II. Basis of preparation and presentation

The financial statements are prepared on the historical cost basis except for following financial instruments that are measured at fair value:

- Defined benefit plan- Plan assets measured at fair value,
- Certain financial assets and liabilities measured at fair value (including derivative instruments).

- **Functional and Presentation Currency**

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

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

All assets & liabilities are classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products/activities of the Company and the normal time between acquisition of assets for processing and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Assets are classified as current when any of following criteria is satisfied:

- i. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- ii. The Company holds the asset primarily for the purpose of trading;
- iii. The Company expects to realize the asset within twelve months after the reporting period;
- iv. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Accounting Policies

for the year ended 31st March, 2025 (Contd.)

Liabilities are classified as current when any of following criteria is satisfied:

- i. The Company expects to settle the liability in its normal operating cycle;
- ii. The Company holds the liability primarily for the purpose of trading;
- iii. The liability is due to be settled within twelve months after the reporting period; or
- iv. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

III. Revenue recognition

The company mainly deals in 100% cotton yarn spinning and derives revenues primarily from sale of manufactured goods.

Revenue from Contracts with customers is recognized when the Company satisfies performance obligation by transferring promised goods or services to the customer. Performance obligation is satisfied when the company transfers significant risks and rewards to the customer and ceases its control over the goods.

Revenue from sale of goods is recognized at a point of time when the significant risks and rewards are transferred to the customer and the company ceases to have its control over the goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, price concessions and incentives, if any, as specified in the contract with customers. Revenue excludes taxes collected from customers on behalf of government.

Payments from customers for the goods and services rendered are normally received within the credit terms as per contracts with the customers.

The company recognizes sales return only when the goods are actually returned by the customers.

Other Operating revenue

- a) Export incentives are accounted for in the year of export at net market realizable value.
- b) Interest on bank deposits is recognized on the effective interest rate method basis taking into account the amounts invested and the rate of interest applicable.
- c) Interest from trade receivables and other financial assets are recognized when it is probable that the economic benefit will flow to the entity and the amount can be measured reliably.
- d) Claim lodged with insurance companies is recognized as income on acceptance by the insurance Companies

IV. Government Grant & Government Assistance

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grant/subsidy if relates to an expense item are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognise as expenses the related costs for which the grants are intended to compensate.



Accounting Policies

for the year ended 31st March, 2025 (Contd.)

V. Inventories

Inventories including goods-in-transit are valued at lower of cost and estimated net realizable value. Cost of inventory includes the cost of purchase (net of taxes whose credit is taken by the company) and all other direct and indirect cost allocated proportionately incurred in bringing the inventories to their present location and condition.

Raw materials and stores & spares:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis in case of raw material and on weighted average basis in case of stores & spares.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis.

Waste:

Valued at net realizable value

VI. Property, Plant and Equipment (PPE)

Recognition and measurement

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment (PPE) comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure

Subsequent expenditure on property plant & equipment after its purchase / completion is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment.

An impairment loss is recognized in the statement of profit and loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Capital work-in-progress

Projects under which property, plant and equipment are not yet ready for their intended use

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are carried at cost less any recognised impairment loss. Cost comprises direct cost, related incidental expenses and borrowing cost.

Depreciation

Depreciation is recognised for property, plant and equipment so as to write-off the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis taking into account commercial and technological obsolescence as well as normal wear and tear.

Depreciation on tangible assets except plant & machinery (excluding solar plant), is provided on straight line method over the useful lives prescribed under Schedule II of Companies Act, 2013.

Depreciation on plant & machinery (Excluding solar plant) is provided on straight line method considering the same as 'Continuous Process Plant' based on technical expert's advice, over the useful life prescribed under the schedule II of the companies Act.2013.

Depreciation on additions to or on disposal of property, plant and equipment is calculated on pro-rata basis i.e. from (up to) the date on which the Property, Plant and Equipment is available for use (disposed off).

De-recognition of PPE

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment) is included in the statement of profit & loss when the property, plant and equipment is derecognized.

VII. Right to use of assets

Recognition and measurement

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

Accounting for

a. Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognised as an expense over the lease term

b. Finance Lease

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognised under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present



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value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

c. Amortization

‘Right to use’ assets are amortized over the period of right to use available to the company. Amortization is done on the basis of straight line method. Change in ‘right to use’ period or change in future economic benefit in the assets are considered to modify the amortization period or method, as appropriate, and are treated as change in accounting estimates.

d. Impairment

‘Right to use’ assets are amortised over the period of right available to the company and assessed for impairment whenever there is an indication that the assets may be impaired

e. De-recognition

‘Right to use’ asset is de-recognised on disposal or transfer to rights or when no future economic benefits are expected from use of the assets. Gain or losses arising from de-recognition are recognition in the statement of profit and loss when the assets is de-recognised

VIII. Intangible assets

Recognition and measurement

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

The cost of a separately acquired intangible asset comprises of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or infinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Impairment

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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The estimated useful life of the finite intangible assets is given below:

| S. No. | Nature of Assets | Effective Useful Life | Amortisation Method |
|--------|-------------------------|-----------------------|--|
| 1. | Computer Software | 6 Years | Amortised on Straight line basis over the useful life. |
| 2. | Right to use power line | 10 Years | Amortised on Straight line basis over the useful life. |

Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in Statement of profit and loss when the asset is derecognised.

IX. Foreign currencies

The Company's financial statements are presented in INR. (₹)

Transactions and balances

In preparing the financial statements, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the Statement of profit and loss of the period.

At the end of each reporting period, monetary items denominated in foreign currencies (except financial instruments designated as Hedge Instruments) are translated at the rates prevailing at that date.

Exchange differences on translation of monetary items are recognised in Statement of profit and loss in the period in which they arise with the exception of the following:

Monetary items that are designated as part of cash flow hedge instrument are recognised in other comprehensive income.

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

Derivative Financial Instruments and Hedge Accounting

The Company uses derivative instruments i.e. forward contracts to hedge its foreign currency risks. The Company designates these forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The Company has designated forward instruments on spot to spot basis. The Company recognises the forward points in the statement of profit and loss account.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivatives is recognised in other comprehensive income and accumulated in the other comprehensive income under other equity. Any ineffective portion

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of changes in the fair value of the derivative is recognised immediately in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in other comprehensive income till the period hedge was effective remains in other comprehensive income until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the other comprehensive income is transferred to the statement of profit and loss upon the occurrence of related forecasted transaction. If the forecasted transactions no longer expected to occur, then the amount accumulated in other comprehensive income is reclassified to net profit in the statement of profit and loss.

X. Employee benefits

Short-term Employee Benefits

Short-term employee benefits obligation is measured on undiscounted basis and is expensed as the related service is provided. A liability is recognized 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.

Defined Contribution Plan:

The Company makes defined contribution to Employees Provident Fund Organization (EPFO), Pension Fund, Superannuation Fund and Employees State Insurance (ESI), which are accounted on accrual basis as expenses in the statement of profit and loss in the period during which the related services are rendered by employees.

Prepaid contribution is recognized as assets to the extent that a cash refund or reduction in future payments is available.

Defined Benefit Plan:

The Company's liabilities on account of gratuity and earned leave on retirement of employees are determined under defined benefit plans.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year.

Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit and loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit and loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

XI. Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

• Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is determined on the basis of taxable income and tax credits computed for Company, in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying units intends to settle the asset and liability on a net basis.

• Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized.

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

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity,



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in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

XII. Provisions, Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

XIII. Dividends

Dividends and Interim dividends payable to a Company's shareholders are recognised as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

XIV. Segment reporting

The dominant source of income of the company is from the manufacturing of Yarn of various quality which do not materially differ in respect of risk perception and the return realized/to be realized. Even the geographical environment in which the company operates does not materially differ considering the political and economic environment, the type of customers, assets employed and the risk and return associated in respect of each of the geographical area. So, the disclosure requirements pursuant to Ind AS 108 Segment Reporting is not applicable to the company.

XV. Earnings per share

Basic earnings per share are computed by dividing the profit/loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/loss for the year attributable to the shareholders of the Company as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average

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market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

XVI. Statement of Cash flow

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

XVII. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

XVIII. Fair Value Measurement

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

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in most advantageous market for the asset or liability and the Company has access to the principal or the most advantageous market.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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



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Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

XIX. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft as they being considered as integral part of the Company's cash management system.

XX. Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in the statement of profit and loss.

Financial assets

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Financial assets carried at amortized cost.
- Financial asset at fair value through other comprehensive income.
- Financial asset at fair value through profit or loss.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and

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interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business model whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the "Reserve for equity instruments through other comprehensive income". The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. So far, the Company has not elected to present subsequent changes in fair value of any investment in OCI.

Financial assets at fair value through profit or loss ('FVTPL')

Investment in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in Statement of profit or loss.

Impairment of financial assets (other than at fair value)

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized up to one year from the date of the invoice, loss for the time value of money is not recognized, since the same is not considered to be material.

De-recognition of financial assets

The Company derecognized a financial asset when the contractual right to the cash flow from the asset expires or when it transfers the financial asset and substantially all risk and reward of ownership of the asset to other party. If the Company neither transfers nor retains substantially all the risk and reward of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associate liability for an amount it has to pay. If the Company retains substantially all the risks and reward of ownership of a transferred financial asset, the company continues to recognize the financial asset and also a collateralized borrowing for the proceeds received.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective

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interest method.

Classification as debt or equity

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

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate (EIR) amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

Trade and other Payables

These amounts represent liabilities for goods & services provided to the Company prior to the end of the financial year which are unpaid. These are recognized initially at fair value and subsequently measured at amortized cost using effective interest method. Where the maturity period is within one year from balance sheet date, the carrying amount approximate the fair value at initial recognition due to short maturity of these instruments.

De-recognition of financial liabilities

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

Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the

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balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

XXI. Impairment of Non-Financial assets

The non-financial assets, other than biological assets, inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from the business combination is allocated to CGUs or groups of CGUs that are expected to benefits from the synergies of the combination.

The recoverable amount of the CGU (or an individual asset) is the higher of its value in use and its fair value less cost 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 assessment of the time value of money and the risks specifics to the CGU (or the asset).

The corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

The impairment loss is recognized if the carrying amount of the asset or the CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit & loss. Impairment loss recognized in respect of CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

XXII. Use of estimates

The preparation of the financial statement in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and current and / or future periods are affected.



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XXIII. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

• Critical accounting judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations that the Management have made in the process of applying the Company's accounting policies and that have most significant effect on the amounts recognised in the financial statements.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making assumption and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward estimate at the end of each reporting period.

Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

Accounting Policies

for the year ended 31st March, 2025 (Contd.)

Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Insurance claims

Insurance claims are recognized when the Company has reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

XXIV. Key Source of estimation uncertainty

Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, provisions and contingent liabilities.

The areas involving critical estimates are:

Useful lives and residual values of property, plant and equipment

Useful life and residual value of property, plant and equipment are based on management's estimate of the expected life and residual value of those assets and is as per schedule II to the Companies Act 2013. Further useful lives of manufacturing machines are recognized treating the same as 'Continuous Process Plant'. These estimates are reviewed at the end of each reporting period. Any reassessment of these may result in change in depreciation expense for future years.

Impairment of property plant and equipment

The recoverable amount of the assets has been determined on the basis of their value in use. For estimating the value in use, it is necessary to project the future cash flow of assets over its estimated useful life. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in statement of profit and loss.

Valuation of deferred tax assets

Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Any change in the estimates of future taxable income may impact the recoverability of deferred tax assets.

Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized but disclosed in the financial statements wherever applicable.



NOTES

To the Financial Statements

2 a Property, Plant and Equipment

(₹ in Lacs)

| Particulars | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment's | Electric Fitting and Water Supply Installations | Total |
|-----------------------------|-----------|---------------------|------------------------|----------|--------------------|---|----------|
| Gross carrying value | | | | | | | |
| As at 31st March, 2023 | 2318.26 | 12303.56 | 57.01 | 87.12 | 23.60 | 476.62 | 15266.17 |
| Additions | 3021.78 | 18501.55 | 90.64 | 16.45 | 101.19 | 736.38 | 22467.99 |
| Disposals | - | - | - | - | - | - | - |
| As at 31st March, 2024 | 5340.04 | 30805.11 | 147.65 | 103.57 | 124.79 | 1213.00 | 37734.16 |
| Additions | - | 304.99 | 5.11 | 24.69 | 11.29 | 0.99 | 347.07 |
| Disposals | - | 53.56 | 10.75 | - | 8.33 | 84.99 | 157.63 |
| As at 31st March, 2025 | 5340.04 | 31110.10 | 142.01 | 128.26 | 127.75 | 1129.00 | 37923.60 |
| Depreciation | | | | | | | |
| As at 31st March, 2023 | 257.00 | 1708.96 | 27.55 | 28.02 | 9.38 | 178.37 | 2209.28 |
| Depreciation for the year | 104.52 | 719.84 | 9.81 | 12.52 | 7.84 | 63.22 | 917.75 |
| Disposals | - | - | - | - | - | - | - |
| As at 31st March, 2024 | 361.52 | 2428.80 | 37.36 | 40.54 | 17.22 | 241.59 | 3127.03 |
| Depreciation for the year | 185.20 | 1299.05 | 17.10 | 15.43 | 21.42 | 121.38 | 1659.58 |
| Disposals | - | 49.90 | 8.52 | - | 7.05 | 79.30 | 144.77 |
| As at 31st March, 2025 | 546.72 | 3677.95 | 45.94 | 55.97 | 31.59 | 283.67 | 4641.84 |
| Net carrying value | | | | | | | |
| As at 31st March, 2024 | 4978.52 | 28376.31 | 110.29 | 63.03 | 107.57 | 971.41 | 34607.13 |
| As at 31st March, 2025 | 4793.32 | 27432.15 | 96.07 | 72.29 | 96.16 | 845.33 | 33281.76 |

NOTES

To the Financial Statements (Contd.)

| 2b Right to use assets (₹ in Lacs) | | 2 c Other Intangible Assets (₹ in Lacs) | | | | 2 d Capital work-in progress (₹ in Lacs) | |
|---------------------------------------|---------------|--|-------------------------|-------------------|---------------|---|----------|
| Particulars | Amount | Particulars | Right to use power line | Computer Software | Total | Particulars | Amount |
| Gross carrying value | | Gross carrying value | | | | Gross carrying value | |
| As at 31st March, 2023 | 678.28 | As at 31st March, 2023 | - | 15.12 | 15.12 | As at 31st March, 2023 | 2533.24 |
| Additions | 8.82 | Additions | 106.14 | 3.25 | 109.39 | Additions | - |
| Disposals | - | Disposals | - | - | - | Disposals | 2533.24 |
| As at 31st March, 2024 | 687.10 | As at 31st March, 2024 | 106.14 | 18.37 | 124.51 | As at 31st March, 2024 | - |
| Additions | 0.89 | Additions | - | - | - | Additions | - |
| Disposals | - | Disposals | - | 8.24 | 8.24 | Disposals | - |
| As at 31st March, 2025 | 687.99 | As at 31st March, 2025 | 106.14 | 10.13 | 116.27 | As at 31st March, 2025 | - |
| Depreciation | | Depreciation | | | | Depreciation | |
| As at 31st March, 2023 | 23.91 | As at 31st March, 2023 | - | 7.86 | 7.86 | As at 31st March, 2023 | - |
| Depreciation for the year | 7.99 | Depreciation for the year | 1.77 | 1.11 | 2.88 | Depreciation for the year | - |
| Disposals | - | Disposals | - | - | - | Disposals | - |
| As at 31st March, 2024 | 31.90 | As at 31st March, 2024 | 1.77 | 8.97 | 10.74 | As at 31st March, 2024 | - |
| Depreciation for the year | 7.97 | Depreciation for the year | 6.50 | 5.19 | 11.69 | Depreciation for the year | - |
| Disposals | - | Disposals | - | 5.23 | 5.23 | Disposals | - |
| As at 31st March, 2025 | 39.87 | As at 31st March, 2025 | 8.27 | 8.93 | 17.20 | As at 31st March, 2025 | - |
| Net carrying value | | Net carrying value | | | | Net carrying value | |
| As at 31st March, 2024 | 655.20 | As at 31st March, 2024 | 104.37 | 9.40 | 113.77 | As at 31st March, 2024 | - |
| As at 31st March, 2025 | 648.12 | As at 31st March, 2025 | 97.87 | 1.20 | 99.07 | As at 31st March, 2025 | - |

Explanatory Notes:

- i All Property, Plant and Equipment's mentioned above are held as security towards Borrowings as specified in Note 14 & 17
- ii Depreciation on plant & Machinery is charged considering the same 'Continuous Process Plant' based on technical expert's advice.
- iii Capital work-in progress age wise as under.

| Particulars | | 0-1 year | 1-2 year | Total |
|------------------|------------------------|----------|----------|-------|
| Spinning Project | As at 31st March, 2024 | - | - | - |
| Spinning Project | As at 31st March, 2025 | - | - | - |



NOTES

To the Financial Statements (Contd.)

3 Financial assets

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| Non-current investment | | |
| Investment - Unquoted Non-Trade | | |
| (a) BOB Unit Link Insurance Co | 14.14 | 12.09 |
| (b) PNB MetLife India Insurance Co Ltd. | 2.09 | 2.09 |
| | 16.23 | 14.18 |
| Fixed Deposit | | |
| (a) Fixed deposits with banks due more than 12 months | 9.20 | 7.94 |
| | 9.20 | 7.94 |
| | 25.43 | 22.12 |

4 Other non-current assets

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---------------------|--------------------------------------|--------------------------------------|
| (a) Deferred Assets | 61.19 | 80.72 |
| | 61.19 | 80.72 |

5 Inventories

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Raw Material | 8405.58 | 6070.76 |
| Work in Progress | 1004.00 | 714.55 |
| Finished Goods | 2150.88 | 2168.62 |
| Stores, Spares & Packing Material | 259.58 | 186.96 |
| | 11820.04 | 9140.89 |

Note 1 For basis of valuation of inventories refer note no.1 (B) (V)

2 For inventories held as security against borrowings refer note no. 14 & 17

6 Trade receivables

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|--|--------------------------------------|--------------------------------------|
| Undisputed trade receivables - considered good | 6742.77 | 5318.96 |
| | 6742.77 | 5318.96 |

NOTES

To the Financial Statements (Contd.)

Trade receivable aging schedule as at 31st March 2025

| | Not past due | 1-180 days past due | 181-365 days past due | More than one year | Total |
|---|----------------|---------------------|-----------------------|--------------------|----------------|
| i. Undisputed trade receivable considered good | 6737.59 | 5.18 | - | - | 6742.77 |
| ii. Undisputed trade receivable considered doubtful | - | - | - | - | - |
| iii. Disputed trade receivable considered Good | - | - | - | - | - |
| iv. Disputed trade receivable considered doubtful | - | - | - | - | - |
| Total | 6737.59 | 5.18 | - | - | 6742.77 |

Trade receivable aging schedule as at 31st March 2024

| | | | | | |
|---|----------------|----------|----------|----------|----------------|
| i. Undisputed trade receivable considered good | 5318.96 | - | - | - | 5318.96 |
| ii. Undisputed trade receivable considered doubtful | - | - | - | - | - |
| iii. Disputed trade receivable considered Good | - | - | - | - | - |
| iv. Disputed trade receivable considered doubtful | - | - | - | - | - |
| Total | 5318.96 | - | - | - | 5318.96 |

7 Cash and cash equivalents

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|-----------------------------------|-----------------------------------|
| (a) Balance with banks | | |
| (i) Current accounts | 1.64 | 20.71 |
| (b) Cash-on hand | 1.60 | 1.49 |
| (c) Fixed deposits with banks due within 3 months | 1.50 | 2.03 |
| | 4.74 | 24.23 |

NOTES

To the Financial Statements (Contd.)

8 Bank balances other than cash and cash equivalents

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| (a) Unclaimed Dividend Account | 1.32 | 1.11 |
| (b) Fixed deposits with banks due within 3 to 12 months | 3.28 | 2.96 |
| | 4.60 | 4.07 |

9 Other financial assets

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Others (Unsecured considered good) | | |
| (a) Security Deposit | 397.94 | 287.48 |
| | 397.94 | 287.48 |

10 Current tax asset (net)

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Advance income tax paid | 454.31 | 149.75 |
| Less Provision for income tax | 291.70 | - |
| Current tax asset (net) | 162.61 | 149.75 |

11 Other current assets

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|--|--------------------------------------|--------------------------------------|
| Considered good, unless otherwise stated | | |
| (a) Duties, Claims and balances with Govt. Authorities | 1933.14 | 1894.96 |
| (b) Prepaid Expenses | 118.62 | 132.32 |
| (c) Advance to Suppliers | 261.68 | 54.47 |
| (d) Subsidies Receivable | 562.68 | 215.32 |
| (e) Incentives Receivables | 684.16 | 544.12 |
| (f) Others receivables | 215.74 | 103.56 |
| | 3776.02 | 2944.75 |

NOTES

To the Financial Statements (Contd.)

12 Equity Share Capital

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|--|--------------------------------------|--------------------------------------|
| Authorised | | |
| 2,25,00,000 (Previous Year 2,25,00,000) Equity Shares of ₹ 10/- each | 2250.00 | 2250.00 |
| | 2250.00 | 2250.00 |
| Issued | | |
| 1,76,69,000 (Previous Year 1,76,69,000) Equity Shares of ₹ 10/- each | 1766.90 | 1766.90 |
| Subscribed & Fully Paid Up | | |
| 1,76,69,000 (Previous year 1,76,69,000) Equity Shares of ₹ 10/- each | 1766.90 | 1766.90 |
| | 1766.90 | 1766.90 |

1 Term/Right attached to the Equity share

The company has only one class of Equity Share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

2 Details of Shares held by Shareholders holding more than 5 % shares of the company

| Name of Shareholder | As at 31 st March 2025 | | As at 31 st March 2024 | |
|------------------------------------|--------------------------------------|--------|--------------------------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Lagnam Infotech Solutions Pvt. Ltd | 5034000 | 28.49% | 5034000 | 28.49% |
| Mr. D P Mangal | 2946250 | 16.67% | 2946250 | 16.67% |
| Mr. Shubh Mangal | 1395000 | 7.90% | 1395000 | 7.90% |
| Mr. Anand Mangal | 2222750 | 12.58% | 1242750 | 7.03% |
| Mrs.Veena Mangal * | - | 0.00% | 980000 | 5.55% |

* Shares under transmission

3 Reconciliation of number of shares nos.

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|------------------------------|---|---|
| Shares at beginning | 17669000 | 17669000 |
| Add : Issued during the year | - | - |
| Shares at closing | 17669000 | 17669000 |



NOTES

To the Financial Statements (Contd.)

4 Promoter Shareholding

| Name of Shareholder | As at 31 st March 2025 | | As at 31 st March 2024 | |
|--|--------------------------------------|--------|--------------------------------------|--------|
| | Number of Shares | % | Number of Shares | % |
| Lagnam Infotech Solutions Pvt. Ltd | 5034000 | 28.49% | 5034000 | 28.49% |
| Mr. D P Mangal | 2946250 | 16.67% | 2946250 | 16.67% |
| Mr. Shubh Mangal | 1395000 | 7.90% | 1395000 | 7.90% |
| Mr. Anand Mangal | 2222750 | 12.58% | 1242750 | 7.03% |
| Mrs. Veena Mangal * | - | 0.00% | 980000 | 5.55% |
| Mrs. Kavita Mangal | 335000 | 1.90% | 335000 | 1.90% |
| Dwarka Prasad Mangal (HUF) [Karta- D.P. Mangal] | 170000 | 0.96% | 170000 | 0.96% |

13 Other Equity

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| (a) Securities premium reserve | | |
| Balance at the beginning of the year | 1655.20 | 1655.20 |
| Balance at the end of the year | 1655.20 | 1655.20 |
| (b) Capital Reserve | | |
| Balance at the beginning of the year | 23.00 | 23.00 |
| Balance at the end of the year | 23.00 | 23.00 |
| (c) Retained earnings | | |
| Balance at the beginning of the year | 7450.00 | 5983.74 |
| Add : Profit for the year | 1285.47 | 1457.32 |
| Add : Re-measurement gains / (losses) on defined benefit (Net of tax) | (5.33) | 8.94 |
| Less : Dividend Paid | 88.35 | - |
| Retained earnings | 8641.79 | 7450.00 |
| (d) Other comprehensive income / (Loss) for the year | | |
| (i) Adjustment for effective portion of cash flow hedge (Net of tax) | | |
| Balance at the beginning of the financial year | - | - |
| Addition during the financial year | - | - |
| Other comprehensive income | - | - |
| Balance at the end of the year | 8641.79 | 7450.00 |
| Total Reserves & Surplus | 10319.99 | 9128.20 |

NOTES

To the Financial Statements (Contd.)

14 Borrowings (Non current)

Secured measured at amortised cost

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| (a) Term Loans - From Banks | 21689.33 | 23024.70 |
| (b) Vehicle Loan - From Banks | 35.58 | 31.22 |
| | 21724.91 | 23055.92 |
| (c) ECLGS 2.0 | 1859.35 | 3090.35 |
| | 23584.26 | 26146.27 |
| Less : Current maturities of long-term borrowings | 3419.84 | 2780.40 |
| | 20164.42 | 23365.87 |

Secured

Conditions of Term Loans are summarised below:

Nature of Security

- 1 a. Term Loan of ₹ 3965.05 Lacs (₹ 5369.74 Lacs as at 31st March, 2024) are secured by first pari passu charge on all fixed assets (present & future) including equitable mortgage of factory land and building of the company. Second pari passu charge on all the current assets of company both present & future. The loans are further secured by personal guarantee and equitable mortgage of Residential House of Mr.D.P. Mangal , Land of Mr. Anand Mangal & Mr. Shubh Mangal and corporate guarantee of M/s Lagnam Infotech Solutions Private Limited.
- b. Term Loan of ₹ 16299.73 Lacs (₹ 16299.73 Lacs as at 31st March, 2024) are secured by first pari passu charge on all fixed assets (present & future) including equitable mortgage of factory land and building of the company. Second pari passu charge on all the current assets of company both present & future. The loans are further secured by personal guarantee of Mr.D.P. Mangal , Land of Mr. Anand Mangal & Mr. Shubh Mangal.
- c. Term Loan of ₹ 1859.35 Lacs (₹ 3090.35 Lacs as at 31st March, 2024) are secured by second charge on all fixed and current assets (present & future). The loans are further secured by equitable mortgage of Residential House of Mr. D.P.Mangal , Land of Mr. Anand Mangal & Mr. Shubh Mangal.
- d. Term Loan of ₹ 1424.55 Lacs (₹ 1355.23 Lacs as at 31st March, 2024) are secured by hypothecation of proposed plant and machinery in form of solar panel and other ancillary
- e. Vehicle loan of ₹ 35.58 Lacs (₹ 31.22 Lacs as at 31st March, 2024) are secured against respective vehicles.

Terms of Repayment of Secured Borrowing

2. a Secured term loans from bank are repayable in quarterly installment and having floating interest rate ranging from MCLR+ spread 0.40% to 1.40% and 3M T-Bill as at 31st March 2025 (Previous Year MCLR+ spread 0.40% to 0.80% and 3M T-Bill as at 31st March 2024)
- b Vehicle loans are repayable in monthly installments and having fixed interest rates 8.50% and 2.25% Spread over Repo rate. (Previous Year 8.50% and 9.45%)

NOTES

To the Financial Statements (Contd.)

- c Term loans under ECLGS from banks are repayable in monthly installment and having floating interest rate MCLR+ spread 1.00% and EBLR with cap of 9.25% as at 31st March 2025 (Previous Year MCLR+ spread 1% and EBLR with cap of 9.25% as at 31st March 2024) Period of maturity and installments outstanding are as under-

(₹ in Lacs)

| Date of Maturity | | Outstanding as at 31 st March, 2025 | | | |
|------------------|------------|--|----------------------|------------------|---|
| | | Total Outstanding | Long term Borrowings | Current maturity | Number of Installment due after 31st March 2025 |
| A Term Loan | | | | | |
| | 31.12.2027 | 1873.68 | 1228.43 | 645.25 | 11 |
| | 31.12.2027 | 2091.38 | 1373.63 | 717.75 | 11 |
| | 31.12.2032 | 16299.73 | 15455.15 | 844.58 | 32 |
| | 31.07.2031 | 807.69 | 707.65 | 100.04 | 76 |
| | 31.01.2031 | 405.27 | 349.01 | 56.26 | 70 |
| | 07.04.2031 | 211.59 | 183.76 | 27.83 | 73 |
| | | 21689.34 | 19297.63 | 2391.71 | |
| B Vehicle Loan | | | | | |
| | 07.12.2027 | 12.94 | 8.58 | 4.36 | 33 |
| | 31.07.2034 | 22.64 | 20.98 | 1.66 | 112 |
| | | 35.58 | 29.56 | 6.02 | |
| | | 21724.92 | 19327.19 | 2397.73 | |
| C ECLGS | | | | | |
| | 31.12.2025 | 148.32 | - | 148.32 | 8 |
| | 06.01.2026 | 76.14 | - | 76.14 | 9 |
| | 01.02.2026 | 252.16 | - | 252.16 | 9 |
| | 07.02.2026 | 139.93 | - | 139.93 | 11 |
| | 27.03.2028 | 562.50 | 373.00 | 189.50 | 36 |
| | 29.03.2028 | 324.47 | 213.21 | 111.26 | 35 |
| | 30.03.2028 | 145.79 | 95.78 | 50.01 | 35 |
| | 07.07.2028 | 210.03 | 155.24 | 54.79 | 38 |
| | | 1859.34 | 837.23 | 1022.11 | |
| Total | | 23584.26 | 20164.42 | 3419.84 | |

NOTES

To the Financial Statements (Contd.)

| Date of Maturity | | Outstanding as at 31 st March, 2024 | | | |
|------------------|------------|--|----------------------|------------------|---|
| | | Total Outstanding | Long term Borrowings | Current maturity | Number of Installment due after 31 st March 2024 |
| A Term Loan | | | | | |
| | 30.06.2024 | 87.76 | - | 87.76 | 1 |
| | 31.12.2027 | 2497.61 | 1874.61 | 623.00 | 15 |
| | 31.12.2027 | 2784.37 | 2091.37 | 693.00 | 15 |
| | 31.12.2032 | 16299.73 | 16299.73 | - | 32 |
| | 31.07.2031 | 899.21 | 806.48 | 92.73 | 88 |
| | 31.03.2031 | 456.02 | 405.63 | 50.39 | 82 |
| | | 23024.70 | 21477.82 | 1546.88 | |
| B Vehicle Loan | | | | | |
| | 25.04.2024 | 0.26 | - | 0.26 | 1 |
| | 07.12.2027 | 16.95 | 12.94 | 4.01 | 45 |
| | 30.09.2030 | 14.01 | 12.33 | 1.68 | 78 |
| | | 31.22 | 25.27 | 5.95 | |
| | | 23055.92 | 21503.09 | 1552.83 | |
| C ECLGS | | | | | |
| | 31.12.2025 | 370.83 | 148.33 | 222.50 | 20 |
| | 06.01.2026 | 177.63 | 76.13 | 101.50 | 21 |
| | 01.02.2026 | 630.41 | 252.16 | 378.25 | 21 |
| | 07.02.2026 | 269.92 | 140.77 | 129.15 | 23 |
| | 27.03.2028 | 758.00 | 568.50 | 189.50 | 48 |
| | 29.03.2028 | 435.73 | 324.48 | 111.25 | 47 |
| | 30.03.2028 | 195.83 | 145.83 | 50.00 | 47 |
| | 07.07.2028 | 252.00 | 206.58 | 45.42 | 48 |
| | | 3090.35 | 1862.78 | 1227.57 | |
| Total | | 26146.27 | 23365.87 | 2780.40 | |



NOTES

To the Financial Statements (Contd.)

15 Provision (Non current)**(₹ in Lacs)**

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|-------------|--------------------------------------|--------------------------------------|
| | 181.43 | 123.83 |

16 Deferred Tax Liability (net)**(₹ in Lacs)**

| | As at 31 st March 2023 | Recognised in P & L/ OCI | As at 31 st March 2024 | Recognised in P & L/ OCI | As at 31 st March 2025 |
|--|--|--------------------------------|--|--------------------------------|--|
| Deferred tax liabilities / assets are attributable to the following items; | | | | | |
| (a) Deferred Tax Liability | | | | | |
| Depreciation on fixed assets | 1925.44 | 1294.78 | 3220.22 | 627.81 | 3848.03 |
| (b) Deferred Tax Assets | | | | | |
| Unabsorbed Depreciation | - | 618.30 | 618.30 | 93.44 | 711.74 |
| 43B Disallowance | 37.58 | 34.22 | 71.80 | 29.71 | 101.51 |
| (c) Net Deferred Tax Liability (a-b) | 1887.86 | 642.26 | 2530.12 | 504.66 | 3034.78 |

Note : Deferred tax assets and deferred tax liability have been offset as they relate to the same governing taxation laws.

17 Borrowings (current)**(₹ in Lacs)**

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| Secured | | |
| Loans repayable on demand | | |
| From banks | | |
| Rupee Loan | 10121.98 | 4599.72 |
| Foreign Currency Loan | 5143.25 | 7028.82 |
| | 15265.23 | 11628.54 |
| Current maturities of long-term borrowings (refer note 14) | 3419.84 | 2780.40 |
| | 18685.07 | 14408.94 |

Conditions of Working Capital Loan are summarised below:

Security - Hypothecation of stocks, book debts and other current assets of the company and second charge on fixed assets of the company on pari passu basis. Further Personal Guarantee and collateral security of equitable mortgage of Residential House of D.P.Mangal, Land of Anand Mangal & Shubh Mangal and corporate guarantee of M/s Lagnam Infotech Solutions Private Limited is given.

Floating Rate - Rupee loan carrying floating interest rate of MCLR to MCLR +1.40%, Repo +1.50% and 3M T-bill as at 31st March 2025 (Previous Year MCLR + 0.55 % to 1.15% and 3M T-bill) and foreign currency loan carrying interest rate of SOFR + 75bps to 150bps (previous year SOFR +100bps to 150bps)

NOTES

To the Financial Statements (Contd.)

18 Trade Payable

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| Outstanding dues of micro enterprises and small enterprises | 25.62 | 97.88 |
| Outstanding dues other than micro enterprises and small enterprises | 1429.68 | 410.80 |
| | 1455.30 | 508.68 |

There are no Micro, small and medium enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2025. This information as required to be disclosed under the Micro-small and medium enterprises development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade payable aging schedule

| | | |
|--------------------|----------------|---------------|
| MSME | | |
| Less than one year | 25.62 | 97.88 |
| More than one year | - | - |
| Total | 25.62 | 97.88 |
| Others | | |
| Less than one year | 1429.68 | 410.80 |
| More than one year | - | - |
| Total | 1429.68 | 410.80 |

19 Other financial liabilities

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|--------------------------|--------------------------------------|--------------------------------------|
| (a) Payable to employees | 317.00 | 283.01 |
| (b) Unclaimed Dividend | 1.32 | 1.11 |
| (c) Security Deposits | 7.80 | - |
| (d) Other Payables | 957.98 | 1080.26 |
| | 1284.10 | 1364.38 |

20 Other current liabilities

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|----------------------------|--------------------------------------|--------------------------------------|
| (a) Government dues | 53.44 | 61.61 |
| (b) Advance from customers | 12.03 | 20.33 |
| (c) Others | 4.35 | 3.54 |
| | 69.82 | 85.48 |



NOTES

To the Financial Statements (Contd.)

21 Provisions (Current)**(₹ in Lacs)**

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| (a) Provision for employee benefits | 62.48 | 54.55 |
| | 62.48 | 54.55 |

22 Current tax liability (net)**(₹ in Lacs)**

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Provision for income tax expense | - | 343.58 |
| Less: Income tax paid | - | 331.46 |
| | - | 12.12 |

23 Revenue From Operations**(₹ in Lacs)**

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|------------------------------------|---|---|
| (a) Sales of Products | | |
| Domestic Sales | 32323.48 | 23287.09 |
| Export Sales | 26583.37 | 19390.03 |
| (b) Other Operating Revenue | | |
| (i) Turnover Link Incentive (RIPS) | 218.98 | - |
| (ii) Export Incentive | 1430.63 | 1073.12 |
| | 60556.46 | 43750.24 |

24 Other income**(₹ in Lacs)**

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---------------------|---|---|
| (a) Interest Income | 37.18 | 28.74 |
| | 37.18 | 28.74 |

25 Cost of materials consumed**(₹ in Lacs)**

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|-------------------|---|---|
| Opening Inventory | 6070.76 | 5599.79 |
| Add: Purchases | 48068.32 | 23498.75 |
| Stock Transfer | - | 10271.13 |

NOTES

To the Financial Statements (Contd.)

| | | |
|--------------------------------------|-----------------|-----------------|
| | 54139.08 | 39369.67 |
| Less: Sales, Returns and Adjustments | 1,640.81 | 263.08 |
| | 52498.27 | 39106.59 |
| Less: Inventory at the year end | 8405.58 | 6070.76 |
| | 44092.69 | 33035.83 |

26 Change in inventories of finished goods and stock in process

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|--|---|---|
| Inventories at the end of the year | | |
| (a) Finished Goods | 2150.88 | 2168.62 |
| (b) Stock in Process | 1004.00 | 714.55 |
| | 3154.88 | 2883.17 |
| Inventories at the beginning of the year | | |
| (a) Finished Goods | 2168.62 | 2277.11 |
| (b) Stock in Process | 714.55 | 354.31 |
| | 2883.17 | 2631.42 |
| Add Trial run Inventory | - | 1172.98 |
| (Increase)/Decrease in Inventory | (271.71) | 921.23 |

27 Employee benefits expenses

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---|---|---|
| (a) Salaries, wages and bonus | 2182.14 | 1110.36 |
| (b) Contribution to provident and other funds | 232.75 | 120.12 |
| (c) Workmen and staff welfare | 32.69 | 11.43 |
| | 2447.58 | 1241.91 |

28 Financial cost

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|--------------------------|---|---|
| (a) Interest expenses | 2872.95 | 1407.96 |
| (b) Other borrowing cost | 225.30 | 118.16 |
| | 3098.25 | 1526.12 |



NOTES

To the Financial Statements (Contd.)

29 Depreciation And Amortisation Expenses

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|-------------------------|---|---|
| (a) Tangible Assets | 1659.58 | 917.75 |
| (b) Right to use Assets | 7.97 | 7.99 |
| (c) Intangible Assets | 11.69 | 2.88 |
| | 1679.24 | 928.62 |

Depreciation on plant and machinery provided on the basis of Continuous Process Plant as per technical expert's advice, Refer Note 1 (B) (VI to VIII) and 2a to 2c

30 Other Expenses

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|-------------------------------------|---|---|
| Manufacturing Expenses | | |
| (a) Stores and Spare parts Consumed | 602.25 | 205.64 |
| (b) Power and Fuel | 3552.63 | 1898.25 |
| (c) Packing Expenses | 781.03 | 430.40 |
| (d) Repairs to Machinery | 198.66 | 62.91 |
| (e) House Keeping Expenses | 72.27 | 39.00 |
| | 5206.84 | 2636.20 |
| Administrative Expenses | | |
| (a) Rent | 16.50 | 12.00 |
| (b) Insurance Expenses | 113.94 | 73.40 |
| (c) Directors' Sitting Fees | 6.91 | 4.50 |
| (d) Directors' Travelling | 52.69 | 7.28 |
| (e) CSR Expenses | 49.65 | 40.18 |
| (f) Payment to Auditor as : | | |
| Audit fee | 2.00 | 1.50 |
| Limited review report | 0.35 | 0.30 |
| Other Capacity | 0.08 | 0.03 |
| (g) Legal & Professional | 55.65 | 30.05 |
| (h) Postage & Telegram | 9.94 | 3.89 |
| (i) Printing & Stationery | 5.27 | 2.89 |

NOTES

To the Financial Statements (Contd.)

| | | |
|---------------------------------------|----------------|----------------|
| (j) Other miscellaneous expenses | 162.85 | 67.64 |
| | 475.83 | 243.66 |
| Selling Expenses | | |
| (a) Commission | 296.83 | 146.74 |
| (b) Incentives and Discounts | 1.09 | 2.36 |
| (c) Freight, Forwarding and Octroi | 263.33 | 189.27 |
| (d) Expenses on Export Sales: | | |
| (i) Ocean Freight | 579.78 | 297.46 |
| (ii) Commission | 419.55 | 272.29 |
| (iii) Inland Freight & Other expenses | 498.35 | 255.43 |
| | 2058.93 | 1163.55 |
| (a) Loss on discard of Fixed Assets | 15.86 | - |
| | 7757.46 | 4043.41 |

31 Income tax

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---|---|---|
| (a) Income tax recognized in profit or loss | | |
| Current tax expense (Net of MAT credit entitlement) | - | - |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | 504.66 | 642.26 |
| Total tax expenses | 504.66 | 642.26 |
| (b) Reconciliation of effective tax | | |
| Profit before tax | 1790.13 | 2081.86 |
| Domestic tax rate | 29.12% | 29.12% |
| Tax using the Company's domestic tax rate | 521.29 | 606.24 |
| Increase / reduction in Taxes on account of | | |
| Deduction / exemptions in taxable income | (31.27) | (32.39) |
| Other non deductible expenses | 14.64 | 68.41 |
| Income tax expenses charged to statement of profit and loss | 504.66 | 642.26 |



NOTES

To the Financial Statements (Contd.)

32 Other comprehensive income

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|--|---|---|
| A Items that will not be reclassified to profit or loss (Net of Tax) | | |
| Re-measurements of the defined benefit plans | (5.33) | 8.94 |
| Related to re-measurements of the defined benefit plans | - | - |
| B Items that will be reclassified to profit or loss (Net of Tax) | | |
| Net Loss on Foreign Currency Transaction | - | - |
| Related to net Loss on Foreign Currency Transaction | - | - |
| | (5.33) | 8.94 |

33 Employment Benefit Plans

a. Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognised as expense for defined contribution plans.

Total contribution made by the employer to the Fund during the year is ₹ 132.20 Lacs (Previous Year ₹63.03 Lacs).

b. Defined Benefit Plan & Other Long Term Benefits

i Gratuity

The Company makes payment to vested employees as per provisions of Payment of Gratuity Act, 1972. The provision of Gratuity liability as on the Balance Sheet date is done on actuarial valuation basis for qualifying employees, however the same is not funded to any trust or scheme.

The present value of the Defined Benefits obligation and the related current service cost is measured using the Projected Unit Credit Actuarial Method at the end of Balance Sheet date by the Actuary.

ii Leave Encashment

The Company provides benefit of leave encashment to its employees as per defined rules. The provision for liability for leave encashment as on date of Balance Sheet is recognised on the basis of Actuarial certificate

iii The following table set out the status of Gratuity and Leave encashment plans as required under Ind AS-19

NOTES

To the Financial Statements (Contd.)

a. Changes in Defined Benefit Obligations :

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | | Year Ended 31 st March 24 | |
|---|---|---------------------|---|---------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| (a) Defined Benefit obligation at the beginning of the year | 121.80 | 56.58 | 99.95 | 42.76 |
| (b) Interest cost | 8.79 | 4.09 | 7.40 | 3.16 |
| (c) Current service cost | 44.20 | 23.05 | 24.53 | 12.11 |
| (d) Benefits paid | (4.99) | (3.59) | (1.14) | (2.82) |
| (e) Actuarial (Gain)/Loss on obligation | 5.33 | (11.35) | (8.94) | 1.37 |
| (f) Present value of obligation at the end of year | 175.13 | 68.78 | 121.80 | 56.58 |

b. Net Defined Benefit Cost/(Income) included in the :

1 Statement of profit and loss account

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | | Year Ended 31 st March 24 | |
|---|---|---------------------|---|---------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| (a) Current service cost | 44.20 | 23.05 | 24.53 | 12.11 |
| (b) Interest cost | 8.79 | 4.09 | 7.40 | 3.16 |
| (c) Net actuarial (gain) / loss recognized in the period | - | (11.35) | - | 1.37 |
| (d) Expenses recognised in the Profit & Loss statement | 52.99 | 15.79 | 31.93 | 16.64 |

2 Other Comprehensive Income :-

(₹ in Lacs)

| Particulars | Gratuity | |
|---|---|---|
| | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
| Actuarial (Gain)/Loss for the year on Projected Benefit Obligations | 5.33 | (8.94) |
| Unrecognised actuarial (Gain)/Loss at the end of the year | 5.33 | (8.94) |

NOTES

To the Financial Statements (Contd.)

c Reconciliation of the Present value of Defined Obligation and the fair value of the plan assets :
(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | | Year Ended 31 st March 24 | |
|---|---|---------------------|---|---------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| Present value of obligation as at the end of year | 175.13 | 68.78 | 121.80 | 56.58 |
| Fair value of Plan Assets | - | - | - | - |
| Liability Recognised in Balance Sheet | 175.13 | 68.78 | 121.80 | 56.58 |

d The assumptions used in Actuarial Valuation :
(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---|--|---|
| Financial Assumptions used to determine the Profit & Loss Charge | | |
| a) Discounting Rate | 7.25% per annum | 7.22% per annum |
| b) Salary Escalation Rate | 6.50% per annum | 6.50% per annum |
| c) Expected rate of Return on Assets | 0% | 0% |
| Demographic Assumptions Used to determine the Defined Benefit | | |
| a) Retirement Age | 60 | 60 |
| b) Mortality Table | | IALM (2012-14) |
| c) Employee Turnover/ Attrition Rate | | |
| 18 To 30 Years | 3% | 3% |
| 31 to 44 Years | 2% | 2% |
| Above 44 Years | 1% | 1% |

e. Sensitivity Analysis as at 31st March, 2025 :-
(₹ in Lacs)

| Particulars | Gratuity | Leave Encashment |
|---|----------|---------------------|
| Defined benefit Obligation - Discount Rate+50 Basis points | (9.78) | (3.78) |
| Defined benefit Obligation -Discount Rate-50 Basis points | 10.86 | 4.20 |
| Defined benefit Obligation – Salary Escalation Rate+50 Basis points | 10.88 | 4.21 |
| Defined benefit Obligation – Salary Escalation Rate-50 Basis points | (9.88) | (3.82) |

NOTES

To the Financial Statements (Contd.)

f Expected Cash Flows for coming years as at 31st March, 2025 :-

(₹ in Lacs)

| Particulars | Gratuity | Leave Encashment |
|--------------------------------|---------------|------------------|
| Within 1 Year | 45.01 | 17.47 |
| 1-5 Years | 9.23 | 4.46 |
| Beyond 5 Years | 120.89 | 46.85 |
| Total Expected Payments | 175.13 | 68.78 |

- g** The estimates of future salary increase; considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

Expected contribution for the next Annual reporting period.

(₹ in Lacs)

| Particulars | Gratuity | Leave Encashment |
|---|----------|------------------|
| Expected Expense for the next annual reporting period | 68.28 | 33.81 |

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | | Year Ended 31 st March 24 | |
|---|---|------------------|---|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| Experience Adjustment | | | | |
| (a) Defined Benefit Obligation | 175.13 | 68.78 | 121.80 | 56.58 |
| (b) Plan Assets | | | | |
| (c) Surplus/(deficits) | (175.13) | (68.78) | (121.80) | (56.58) |
| (d) Experience Adjustment on Plan Liabilities (loss)/gain | (5.89) | 11.11 | 11.21 | (0.49) |
| (e) Experience Adjustment on Plan Assets (loss)/gain | - | - | - | - |

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 -

- A Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B Investment Risk -** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C Discount Rate :** Reduction in discount rate in subsequent valuations can increase the plan's liability.

NOTES

To the Financial Statements (Contd.)

- D Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

34 Related party transactions

1 List of Related Parties as per Ind As 24

a. Key Managerial Personnel :-

| Name of Person | Relationship |
|-----------------------|--|
| 1 Mr. D. P. Mangal | Executive Chairman |
| 2 Mr. Anand Mangal | Managing Director |
| 3 Mr. Shubh Mangal | Executive Director |
| 4 Mr. V S Bapna | Independent Director |
| 5 Mr. J C Laddha | Independent Director |
| 6 Mr. Anil Shah | Independent Director |
| 7 Ms. Dipali Mathur | Independent Director |
| 8 Mr. D.L.Mundra | Chief Financial Officer |
| 9 Mr. Rajeev Parashar | Company Secretary & Compliance officer |

b. Relatives :-

| Name of Person | Relationship |
|----------------------|--------------------------|
| 1 Mrs. Kavita Mangal | Wife of Mr. Shubh Mangal |

c. Related Companies:-

| Name of Company | Relationship |
|---------------------------------------|--|
| 1 Lagnam Infotech Solutions Pvt. Ltd. | Key managerial personal is director in company |

2 Details of Transactions with Key managerial personnel :-

(₹ in Lacs)

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---|---|---|
| a Rent Paid | 15.00 | 12.00 |
| b Remuneration to Key Managerial Person | 243.24 | 263.81 |
| c Directors sitting fees | 6.91 | 4.50 |

3 Details of transaction with Key Managerial Personnel and related company

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|--------------------------------------|--------------------------------------|
| Personal guarantee of the director and corporate guarantee of M/s Lagnam Infotech Solutions Private Limited against borrowings. | 20654.83 | 18353.51 |
| Personal guarantee of the director against borrowings. | 16299.73 | 16299.73 |

NOTES

To the Financial Statements (Contd.)

35 Earnings Per Share

The basic and diluted earnings per share have been calculated as per Ind AS-33 by dividing net profit for the year attributable to equity shareholder by the weighted average number of equity share as under:

| Particulars | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|---|---|---|
| The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share | | |
| A Issued equity shares | 17669000 | 17669000 |
| B Weighted average equity shares outstanding - Basic and Diluted | 17669000 | 17669000 |
| C Net Profit after tax (₹ in Lacs) | 1285.47 | 1457.32 |
| Net profit available to equity holders of the Company used in the basic and diluted earnings per equity share (₹ in Lacs) | 1285.47 | 1457.32 |
| Basic and Dilutive earning per share (In Rupees) | 7.28 | 8.25 |

36 Expenditure incurred on Corporate Social Responsibility

As per section 135 of Companies Act the company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial year in accordance with its CSR policy

| | Year Ended 31 st March 25 | Year Ended 31 st March 24 |
|--|---|---|
| A Gross amount required to be spent by the Company during the year | 49.65 | 40.18 |
| B Amount spent during the year | | |
| i Construction/ acquisition of asset | | |
| ii On purpose other than (i) above - | | |
| (a) Project "Shiksha | 35.00 | 22.00 |
| (b) Social Health Care Project | - | 11.00 |
| (c) Step against hunger & poverty | 2.51 | 2.00 |
| (d) Rural Development | 3.50 | - |
| (e) Education Empowerment Specially abled children | 3.00 | - |
| (f) Animals Welfare | 2.01 | 4.01 |
| (g) Project "Green Enviroment" | 2.62 | - |
| (h) Others | 1.01 | 1.00 |
| (i) Excess incurred in previous year | - | 0.17 |

NOTES

To the Financial Statements (Contd.)

37 Contingent Liabilities and Contingent Assets

1 Contingent Liabilities not provided for in respect of:

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|--|--------------------------------------|--------------------------------------|
| I Guarantees | | |
| a Outstanding bank guarantee | 8.01 | 8.01 |
| II Other contingent liabilities | | |
| a Export Bills Discounted/Collection | 5895.62 | 5338.97 |
| b Income Tax Demand | 79.46 | 71.90 |
| c GST Demand | 105.57 | - |

2 Commitments

- The Company has an outstanding export obligation of approx. ₹.Nil Lacs (Previous Year ₹ 4492.18 Lacs), in respect of capital goods imported at the concessional rate of duty under Export Promotion Capital Goods Scheme, which is required to be met at different dates on or before 21st March,2029

38 Dividend on Equity Shares

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|--|--------------------------------------|--------------------------------------|
| i Dividend declared and paid during the year | | |
| Final dividend Rs 0.50 per fully paid shares i.e. 5% | 88.35 | - |
| Total | 88.35 | - |

ii Events occurring after the Balance sheet date

The Company's Board of Directors have recommended final dividend of ₹ Nil per equity share (previous year 0.50/- per equity share) for the financial year 2024-25.

39 Financial instrument

Fair value of financial assets and liabilities

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements are set out below.

The carrying value and fair value of financial instruments by categories as of 31st March 2025 were as follows:

NOTES

To the Financial Statements (Contd.)

(₹ in Lacs)

| Particulars | Amortised Cost | Fair value * | Total carrying value | Total fair value |
|---|-----------------|---------------|----------------------|------------------|
| Assets | | | | |
| (i) Non current Investments | 16.23 | | 16.23 | 16.23 |
| (ii) Trade receivables | 6765.27 | -22.50 | 6742.77 | 6742.77 |
| (iii) Cash and cash equivalents | 4.74 | | 4.74 | 4.74 |
| (iv) Bank balances other than (iii) above | 4.60 | | 4.60 | 4.60 |
| (v) Other financial assets | 397.94 | | 397.94 | 397.94 |
| Total | 7188.78 | -22.50 | 7166.28 | 7166.28 |
| Liabilities | | | | |
| (i) Non Current Borrowings | 20164.42 | | 20164.42 | 20164.42 |
| (ii) Borrowings | 18702.57 | -17.50 | 18685.07 | 18685.07 |
| (iii) Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises; | 25.62 | | 25.62 | 25.62 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises; | 1429.68 | | 1429.68 | 1429.68 |
| (iv) Other financial liabilities | 1284.10 | | 1284.10 | 1284.10 |
| Total | 41606.39 | -17.50 | 41588.89 | 41588.89 |

* Amount carried at forward contract rate / prevailing exchange rate at year end

The carrying value and fair value of financial instruments by categories as of 31st March 2024 were as follows:

(₹ in Lacs)

| Particulars | Amortised Cost | Fair value * | Total carrying value | Total fair value |
|---|----------------|--------------|----------------------|------------------|
| Assets | | | | |
| (i) Non current Investments | 14.18 | | 14.18 | 14.18 |
| (ii) Trade receivables | 5275.52 | 43.44 | 5318.96 | 5318.96 |
| (iii) Cash and cash equivalents | 24.23 | | 24.23 | 24.23 |
| (iv) Bank balances other than (iii) above | 4.07 | | 4.07 | 4.07 |
| (v) Other financial assets | 287.48 | | 287.48 | 287.48 |
| Total | 5605.48 | 43.44 | 5648.92 | 5648.92 |

NOTES

To the Financial Statements (Contd.)

| Liabilities | | | | |
|---|-----------------|--------------|-----------------|-----------------|
| (i) Non Current Borrowings | 23365.87 | | 23365.87 | 23365.87 |
| (ii) Borrowings | 14372.87 | 36.07 | 14408.94 | 14408.94 |
| (iii) Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises; | 97.88 | | 97.88 | 97.88 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises; | 410.80 | | 410.80 | 410.80 |
| (iv) Other financial liabilities | 1364.38 | | 1364.38 | 1364.38 |
| Total | 39611.80 | 36.07 | 39647.87 | 39647.87 |

* Amount carried at forward contract rate / prevailing exchange rate at year end

The fair value hierarchy is based on inputs to valuation techniques that are use to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

40 Financial risk management Objectives and Policies

i Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company monitors capital using a gearing ratio, which is calculated by dividing Net Debt from the Equity. The Company includes within Net Debt, interest bearing loans and borrowings less cash and cash equivalents and under Equity, the Equity Share Capital plus other Equity is considered.

(₹ in Lacs)

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|---------------------------------|---|---|
| Gross Debts | 38849.49 | 37774.81 |
| Less: Cash and cash equivalents | 4.74 | 24.23 |
| Net Debt | 38844.75 | 37750.58 |
| Equity | 12086.89 | 10895.10 |
| Gearing ratio | 3.21 | 3.46 |

NOTES

To the Financial Statements (Contd.)

ii Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board

Company is exposed to following risk from the use of its financial instrument:

- a. Credit Risk
- b. Liquidity Risk
- c. Market Risk

a. Credit Risk

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categories a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss

Provision for Expected Credit or Loss

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

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

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

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

b. 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payment



NOTES

To the Financial Statements (Contd.)

(₹ in Lacs)

| Particulars | Less than 1 year | Above 1 year | Total |
|------------------------------|---------------------|-----------------|-----------------|
| As at 31st March 2025 | | | |
| Non Current Borrowings | 3419.84 | 20164.42 | 23584.26 |
| Current Borrowings | 15265.23 | | 15265.23 |
| Trade payables | 1455.30 | | 1455.30 |
| Other financial liabilities | 1284.10 | | 1284.10 |
| Total | 21424.47 | 20164.42 | 41588.89 |
| As at 31st March 2024 | | | |
| Non Current Borrowings | 2780.40 | 23365.87 | 26146.27 |
| Current Borrowings | 11628.54 | | 11628.54 |
| Trade payables | 508.68 | | 508.68 |
| Other financial liabilities | 1364.38 | | 1364.38 |
| Total | 16282.00 | 23365.87 | 39647.87 |

c. Market Risk

Considering the Company's existing foothold/experience in the Textile sector, established & diversified client base, association with various international/domestic agents, it's competent sales team and an established marketing setup in India and International Market, it does not foresee any problem in marketing its production. "Market Risk is the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchanges rates, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, and other market changes. The Company manages market risk through a finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies".

i Interest Rate Risk

It is the risk where changes in market interest rates might adversely affect the Company's financial condition. The short term/immediate impact of changes in interest rates are on the Company's net interest income/expenses. On a longer term, change in interest rate impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Company arising out of all reprising mismatches and other interest rate sensitive positions.

NOTES

To the Financial Statements (Contd.)

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

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows.

Detail of financial instrument bearing interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value.

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|--|--------------------------------------|--------------------------------------|
| Variable rate instruments | | |
| Long Term Borrowings (Including Current Maturities of Long Term Debts) | 23584.26 | 26146.27 |
| Short Term Borrowings | 15265.23 | 11628.54 |
| Total | 38849.49 | 37774.81 |

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

(₹ in Lacs)

| Particulars | Effect on profit before tax | |
|--|-------------------------------|-------------------------------|
| | Decrease by 50 basis point | Increase by 50 basis point |
| As at 31st March 2025 | | |
| Long Term Borrowings (Including Current Maturities of Long Term Debts) | 117.92 | (117.92) |
| Short Term Borrowings | 76.33 | (76.33) |
| | 194.25 | (194.25) |
| As at 31st March 2024 | | |
| Long Term Borrowings (Including Current Maturities of Long Term Debts) | 130.73 | (130.73) |
| Short Term Borrowings | 58.14 | (58.14) |
| | 188.87 | (188.87) |

NOTES

To the Financial Statements (Contd.)

ii Foreign Exchange Risk

- The Company hedges its export realizations and import payables through Foreign Exchange Hedge Contracts in the normal course of business so as to reduce the risk of exchange fluctuations. No Foreign Exchange Hedge Contracts are taken /used for trading or speculative purpose.
- The Company has no forward contract exposure outstanding as on balance sheet date.
- The movement in OCI during the year ended 31.03.2025 for forward contract designated as cash flow hedge is as follows:

(₹ in Lacs)

| Particulars | For the year ended | |
|--|-----------------------------|-----------------------------|
| | 31 st March 2025 | 31 st March 2024 |
| Balance at the beginning of the year | - | - |
| Additions on account of Changes in the fair value of effective portion cash flow hedge | - | - |
| Balance at the end of the year | - | - |

The Following significant exchange rates have been applied at year end:-

(₹ in Lacs)

| Spot rate (INR) | 31 st March 2025 | 31 st March 2024 |
|-----------------|-----------------------------|-----------------------------|
| USD | 85.47 | 83.40 |

Sensitivity Analysis

The Company has no forward contract exposure (previous year ₹ Nil) outstanding as on balance sheet date

41 Operating Segments

The company's operation predominantly related to textile. Hence primary reportable segment is textile only. Further the geographical segment have been considered as secondary segment and bifurcated into Domestic and Export segments.

A Geographical Segment

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|---|-----------------------------------|-----------------------------------|
| Segment Revenue | | |
| Within India (Domestic Sales - Including Incentives) | 32542.46 | 23287.09 |
| Outside India (Exports - Including Export Incentives) | 28014.00 | 20463.15 |
| Total | 60556.46 | 43750.24 |
| Segment Assets (Based on location of the assets) | | |

NOTES

To the Financial Statements (Contd.)

| | | |
|--|----------------|----------------|
| Within India | 3507.56 | 2808.23 |
| Outside India | 3235.21 | 2510.73 |
| Total | 6742.77 | 5318.96 |
| Capital Expenditure Incurred during the year | 347.96 | 20052.96 |

B There are no non-current assets outside India.

42 Details of Unclaimed Dividend

The year wise details of Unclaimed dividend lying in separate bank account is as under

(₹ in Lacs)

| Particulars | As at 31 st March 2025 | As at 31 st March 2024 |
|------------------------|--------------------------------------|--------------------------------------|
| Year 2020-21 | 0.22 | 0.22 |
| Year 2021-22 (Interim) | 0.43 | 0.43 |
| Year 2021-22 | 0.46 | 0.46 |
| Year 2023-24 | 0.21 | - |
| Total | 1.32 | 1.11 |

43 Additional regulatory information's

- During the year the company has taken term loan of ₹ 230.00 lacs for Solar power project of 868 kw and it has been utilized for the same purpose only.
- The Company has borrowings of ₹ 15264.75 lacs from banks on the basis of security of current assets. All the quarterly returns or statements of current assets filed by the company during the year with banks are in agreement with books of accounts.
- The Company has not been declared willful defaulter by any banks or other lender during the year.

| d Ratios | | 31 st March 2025 | 31 st March 2024 |
|----------------------------------|---|--------------------------------|--------------------------------|
| Current Ratio | Current assets / Current liabilities | 1.06 | 1.09 |
| Debt-Equity Ratio, | Total debt / Shareholders Equity | 3.21 | 3.47 |
| Debt Service Coverage Ratio, | Earning available for debt service / debt service | 1.16 | 1.09 |
| Return on Equity Ratio, | Profit after tax / Shareholders Equity | 10.64 | 13.38 |
| Inventory turnover ratio, | Turnover / average inventory | 5.78 | 5.00 |
| Trade Receivables turnover ratio | Turnover / Average Receivable | 10.04 | 10.72 |
| Trade payables turnover ratio, | Total Purchases / Average Payable | 48.76 | 47.71 |

NOTES

To the Financial Statements (Contd.)

| | | | |
|-----------------------------|----------------------------|-------|-------|
| Net capital turnover ratio, | Turnover / Working capital | 44.79 | 30.47 |
| Net profit ratio | PAT/ Turnover | 2.12 | 3.33 |
| Return on Capital employed, | PBIT / Capital Employed | 9.06 | 7.05 |
| Return on investment. | | N.A. | N.A. |

The explanations for the ratios having movement more than 25% are as follows:

- i **Return on Capital Employed** -Due to improve in profitability the ROCE has improve by 29%
- ii **Net Capital turnover ratio**- Despite of accumulated profit been used for expansion project, from the better management of the net capital the ratio is improve to 47% i.e 44.76 times
- iii **Debt Service Coverage Ratio**- Due to Improve in profitability the DSCR has improve by 13%
- iv **Return on Equity Ratio**- The company has completed its expansion project at the end of the previous year, this year is being establishment period therefore the ROE is reduce by 20%
- v **Net Profit Ratio**- Being the establishment period of the project the net profit ratio is changed by 36 %
- f The company has not advance for loans or invested funds to any other person or entity including foreign entity during the year with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- g The company has not received any fund from any person or entity including foreign entity (funding party) during the year with the understanding that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- h The Company has not surrendered or disclosed any transaction not recorded in the books of accounts as income during the year in the tax assessment under the Income Tax Act. 1961
- i The company has not made any transaction in crypto currency or virtual currency during the year

As per our report of even date

For and on behalf of the Board

For A.L.Chechani & Co.
Chartered Accountants
Firm Reg. No. 005341C

D.P.Mangal
(Executive Chairman)
(DIN01205208)

Anand Mangal
(Managing Director)
(DIN 03113542)

Rahul Parmanandani
(Partner)
Membership No. 431503

Rajeev Parashar
(Company Secretary)

D L Mundra
(Chief Financial Officer)

Date : 16th April ,2025
Place : Bhilwara

WORKER SKILL DEVELOPMENT SESSIONS



SOCIAL WORK INVOLVEMENT



Celebrating Employees' Birthdays



Summer Drink Distribution to Workers



Voluntary Blood Donation Drive

WORKFORCE ENRICHMENT



Prize Distribution Event



Celebration of Vishwakarma Puja



Holi Celebrations Among Workers

TEAM BUILDING ACTIVITIES



Cricket Tournament



Volleyball Tournament



VISIT OF OUR ESTEEMED GUESTS



Visit by Mr. Ravi Jhunjhunwala – Group Chairman of LNJ Bhilwara



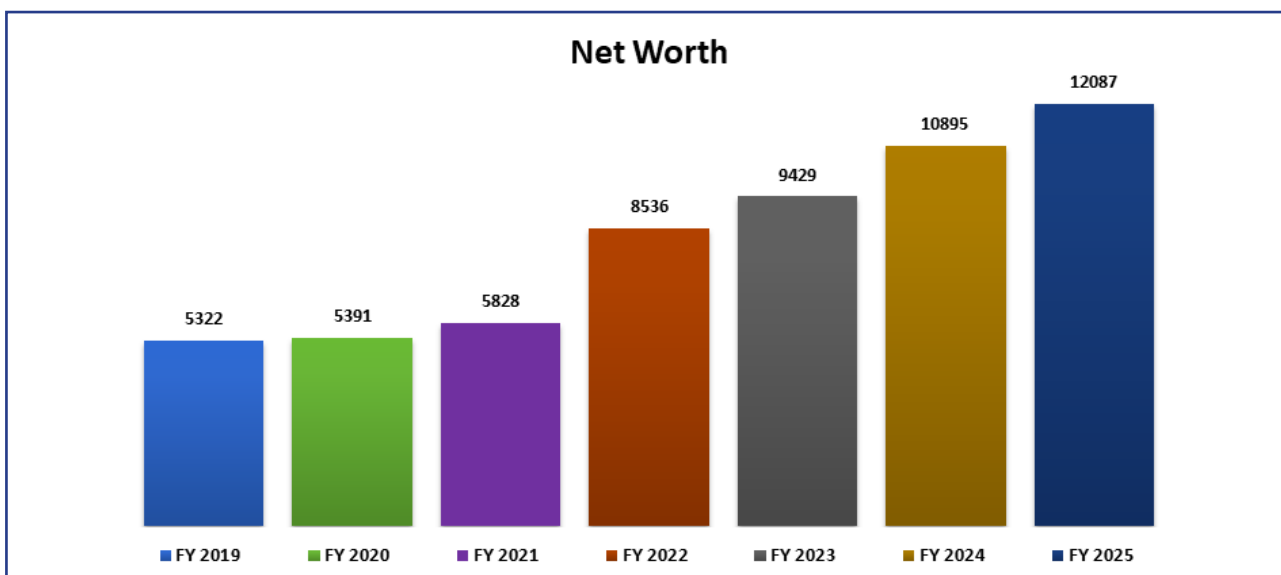
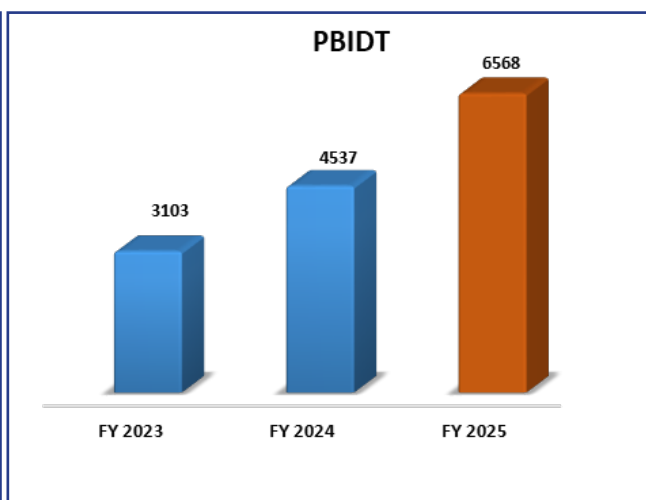
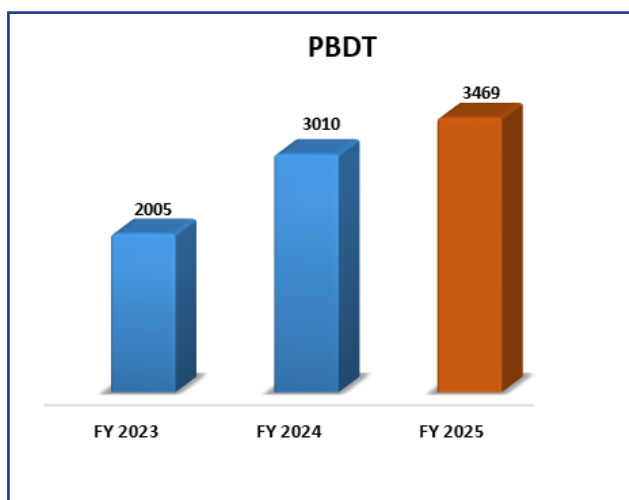
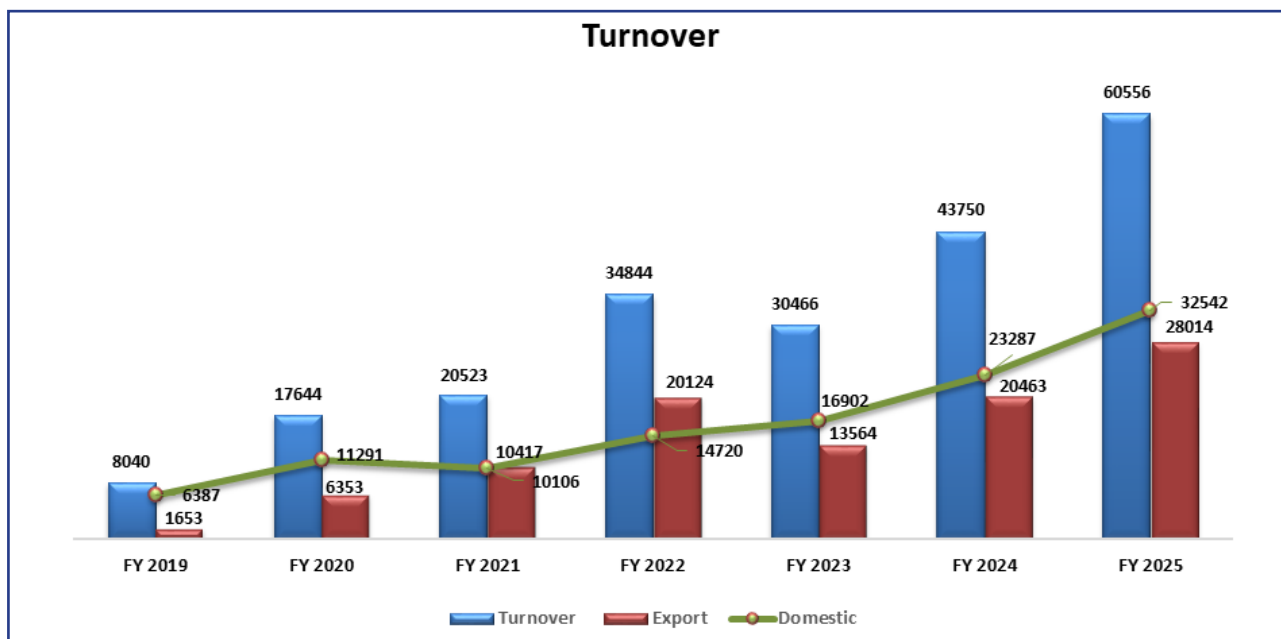
Visit of Mr. Sanjay Jayavarthanavelu – Chairman & MD of LMW Limited



Visit of Mr. Rajesh Bhowmick – General Manager-PNB & Team

FINANCIAL PERFORMANCE

(₹ in Lacs)





Lagnam Spintex

LAGNAM SPINTEX LIMITED

(CIN: L17119RJ2010PLC032089)

Registered Office

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Bhilwara-311001 (Rajasthan)

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