

MESSAGE FROM THE MANAGING DIRECTOR

Dear Members,

I am pleased to present you Annual Report of your Company for the financial year 2024-25.

As you are aware that the previous financial year 2023-24 had been very challenging for the Company owing to various litigations filed by the Consortium Lenders against the Company. However, the Company was always interested in an out of court settlement with its Lenders and had accordingly offered a One Time Settlement (“OTS”) proposal to them which entailed settlement of outstanding debts by cash as well as equity components. After rounds of negotiations, the OTS proposal was approved / accepted by the sanctioning authorities of all the 14 Banks of the Consortium and on September 30, 2024, the Company and the Banks executed a Joint Settlement Agreement.

Since execution of Joint Settlement Agreement on September 30, 2024, the Company abides by the terms of the settlement and has been fulfilling and discharging its debt repayment obligations as per the relevant timelines of the Agreement. As a result, the Company was able to reduce its outstanding debts by approximately 50% in the financial year 2024-25 itself. With further repayments done

during the current financial year 2025-26, the outstanding debts of the Banks which stood at approximately ₹4,082 crores as on March 31, 2024, now stands at approximately ₹1,440 crores.

During the financial year 2024-25, Members of the Company approved raising of funds aggregating up to ₹2,705.14 crore by preferential issue of Fully Convertible Warrants (“Warrants”) for repayment of the Banks outstanding debts, working capital etc. The Company's preferential issue received an overwhelming response from the investors with a subscription of 99.89% of the issue size. The Company has already raised ₹1,174.64 crore till March 31, 2025 pursuant to allotment of Warrants and their conversion into equity. Also, the Company's Board of Directors at its meeting held on July 10, 2025, approved further raising of funds aggregating upto ₹499.99 crore by preferential issue of equity shares as well as Warrants, subject to Members approval. The funds to be received by the Company upon conversion of the existing outstanding Warrants as well as on allotment of proposed equity and Warrants will have the remaining outstanding debts sufficiently covered. The Company is confident of becoming debt free by the end of financial year 2025-26.

The above efforts of the Company as well as its balanced approach towards changing customer preferences and keeping the products in harmony with the same, had a visible impact on the Company's business operations during the financial year 2024-25. As a result, the Company recorded robust revenue from operations amounting to ₹2,243.25 crore (as compared ₹189.45 crore in previous year) and net profit of ₹575.09 crore (as compared to loss of ₹649.27 crore in previous year).

During the financial year 2024-25, with a view to enhance the liquidity of the Company's equity shares and to encourage participation of retail investors by making equity shares of the Company more affordable, the face value of equity shares of the Company was sub-divided / splitted from ₹10/- each to ₹1/- each.

The Company has already started working on revamping of its showrooms and with its litigation woes against its Lenders coming to an amicable end, and with a wide network of showrooms across India and its core strengths in the form of manufacturing & designing capabilities, skilled staff, soft skills in the form of systems and procedures and customer oriented policies, etc., the Company is poised for a bright future and is confident of regaining not only its lost market share but also attaining higher business levels in the years to come.

I am thankful to all our employees, management, Lenders as well as my Board Colleagues for their continued support and commitment towards the Company.

Yours sincerely,

Sd/-
(BALRAM GARG)
Managing Director
DIN: 00032083

