



Ref. VTL:SCY:SEP:2025-26

Dated: 02-Sep-2025

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. Scrip Code: 502986	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VTL
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Dear Sir,

**SUB: ANNUAL REPORT (F.Y. 2024-25) OF THE COMPANY, NOTICE CONVENING 52<sup>ND</sup> ANNUAL GENERAL MEETING, RECORD DATE/ BOOK CLOSURE DATES & E-VOTING INFORMATION**

Pursuant to applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 52<sup>nd</sup> Annual General Meeting ('AGM') of the Members of the Company will be held on Wednesday, 24<sup>th</sup> September, 2025 at 11:15 a.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI').

The Company has fixed 12<sup>th</sup> day of September, 2025, as the "Record Date" to determine the names of the Members entitled to receive payment of dividend for the financial year ended March 31, 2025, if approved at the AGM. Further, the Register of Members and the Share Transfer Books of the Company shall remain closed from 13<sup>th</sup> September, 2025 to 20<sup>th</sup> September, 2025 (both days inclusive) for the purpose of AGM and dividend. The dividend, if declared at the AGM, will be paid electronically within a week from the conclusion of AGM.

Further, the Company has fixed Wednesday, 17<sup>th</sup> September, 2025 as the cut-off date to ascertain the eligibility of Members entitled to cast their vote electronically on all the resolutions to be passed at the AGM. The Company has engaged the services of Central Depository Services (India) Limited ('CDSL') to provide the e-Voting facility. The remote e-Voting schedule is as under:

Commencement of remote e-Voting	September 21, 2025 (09:00 am onwards)
End of remote e-Voting	September 23, 2025 (upto 05:00 pm)



# Vardhman

Delivering Excellence. Since 1965.

## VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
T: +91-161-2228943-48  
F: +91-161-2601 048  
E: secretarial.lud@vardhman.com

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report (F.Y. 2024-25) alongwith the Notice convening the 52<sup>nd</sup> AGM of the Company. The said documents are also available on the website of the Company at [www.vardhman.com](http://www.vardhman.com).

Kindly note and display the notice on your notice board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,

For VARDHMAN TEXTILES LIMITED

(SANJAY GUPTA)  
Company Secretary

YARNS | FABRICS | GARMENTS | THREADS | FIBRES | STEELS

CIN: L17111PB1973PLC003345  
WWW.VARDHMAN.COM



**Vardhman**

Delivering Excellence. Since 1965.



# VARDHMAN TEXTILES LIMITED

ANNUAL REPORT  
2024-25



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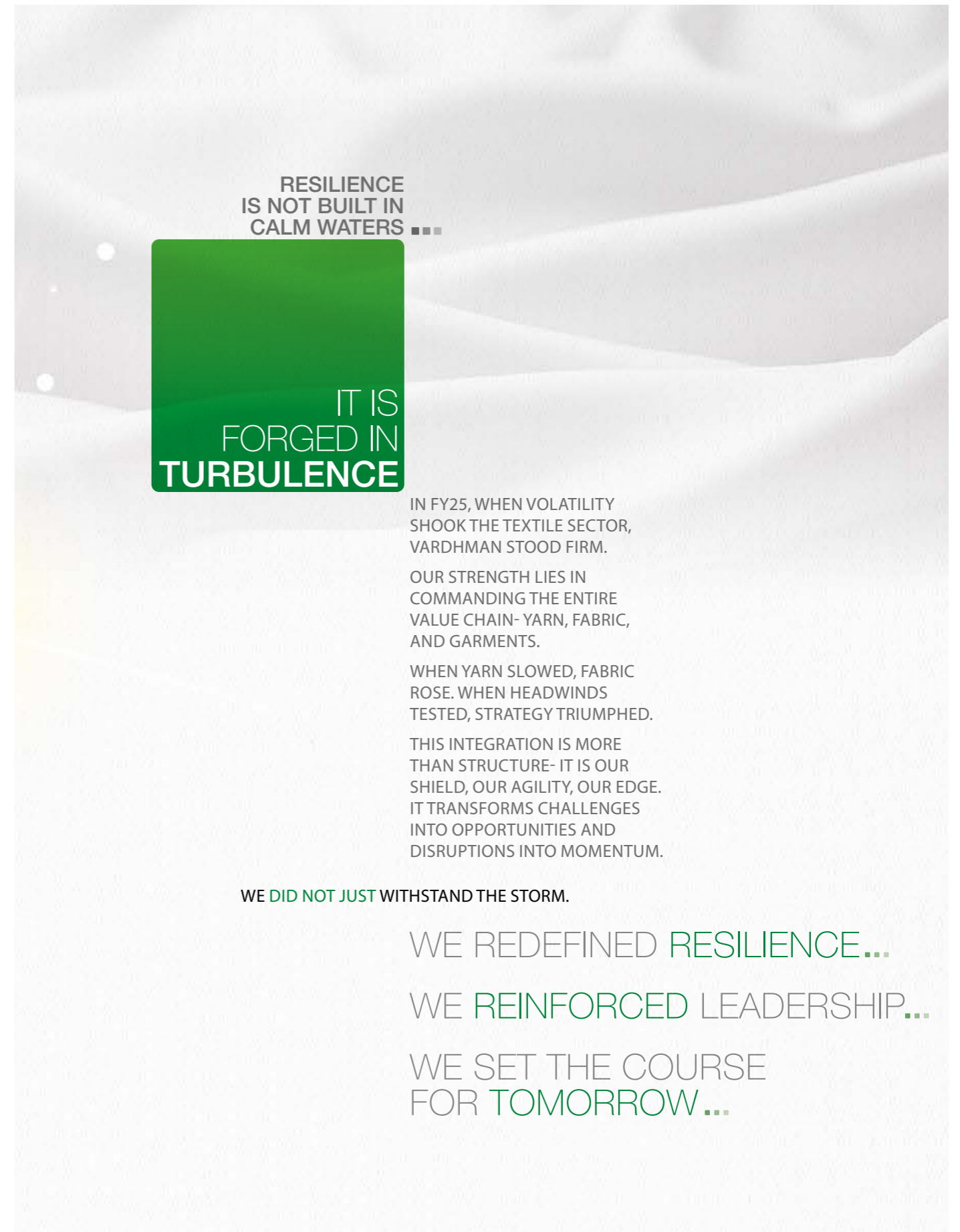
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**CAUTIONARY STATEMENT**

Some information in this report may contain forward-looking statements which include statements regarding the Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. These Forward-looking statements are dependent on assumptions or basis underlying such statements. We have made these assumptions in good faith and we believe they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



RESILIENCE IS NOT BUILT IN CALM WATERS ■■■

IT IS FORGED IN TURBULENCE

IN FY25, WHEN VOLATILITY SHOOK THE TEXTILE SECTOR, VARDHMAN STOOD FIRM.

OUR STRENGTH LIES IN COMMANDING THE ENTIRE VALUE CHAIN- YARN, FABRIC, AND GARMENTS.

WHEN YARN SLOWED, FABRIC ROSE. WHEN HEADWINDS TESTED, STRATEGY TRIUMPHED.

THIS INTEGRATION IS MORE THAN STRUCTURE- IT IS OUR SHIELD, OUR AGILITY, OUR EDGE. IT TRANSFORMS CHALLENGES INTO OPPORTUNITIES AND DISRUPTIONS INTO MOMENTUM.

WE DID NOT JUST WITHSTAND THE STORM.

WE REDEFINED RESILIENCE...

WE REINFORCED LEADERSHIP...

WE SET THE COURSE FOR TOMORROW...



Performance Highlights, FY25

FINANCIAL

₹9,587.21 CRORE  
Revenue from Operations

₹879.07 CRORE  
Net Profit

₹1,624.63 CRORE  
EBITDA

₹9,577.84 CRORE  
Net Worth

16.95%  
EBITDA Margin

9.18%  
Return on Net Worth



ENVIRONMENT



45.11 LAC KWH  
Energy Saving achieved

4.33 MN KL  
Water treated  
(ETPs, STPs & ZLDs)

19.92 MW  
Solar Energy Capacity

SOCIAL

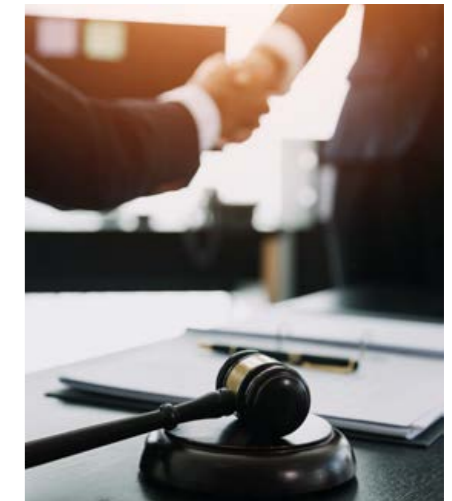


9.5  
Training hours per employee

34.06%  
Women in our Team

1,02,568  
Lives Impacted through CSR  
interventions during the year

GOVERNANCE



50%  
Independent Directors  
in our Board

33.33%  
Percentage of Women  
on the Board

87.14%  
Attendance at Board  
Meetings



**Statement from the Chairman's desk**

*Dear fellow shareholders.*

The occasion of presenting the annual report for FY 2025 is an opportunity to share management reflections on the year gone in terms of external business environment, our responses, impact on business's performance and future roadmap.

The global business environment continued to remain uncertain and mired with geopolitical risks affecting business sentiments in major importing countries to whom we are catering. High living cost linked with inflationary pressure has kept the demand of final consumers subdued, which put pressure on the complete supply chain affecting demand for textile materials like yarn and fabric etc. Further, the cost of yarn and fabric stand increased with the increase in the raw material cost i.e. cost of cotton and MMF, logistic cost and other costs linked with inflation.

The year has seen tough time especially for Indian textile industry due to comparatively higher cotton prices in India than international cotton prices due to imposition of 11% import duty on cotton import in India while our competing countries are having duty free access to imported cotton of higher quality and lower contamination than Indian cotton. This peculiar situation had forced many spinning/textile mills to scale down operations and even many spinning units closed down. As per an industry estimate, about 10 mn spindles



are non-functional in India, which is about 18% of the installed spinning capacity. Those firms, which decided to run operations, suffered on account of negative to miniscule profit margins.

The current situation is fraught with uncertainty where after US tariff imposed on Bangladesh garment exports is seen as an opportunity for Indian textiles and clothing exports while

USA impending high tariff on India's exports to USA are seen as potential threat to the Indian textile industry.

Among such developments, it is satisfying that Government of India has concluded Free Trade Agreement (FTA) with UK and pursuing FTA with EU. We hope that having FTAs with leading markets would help India to compete with other textile economies

like Bangladesh, Pakistan, Vietnam and China as some of them have preferential tariff advantages in these importing markets. We expect that higher tariff by USA might make us less competitive and efforts will have to be directed for further market diversification.

**Our Strategic Response to Market Challenges**

In response to a rapidly evolving market landscape, we executed a focused strategy anchored in operational excellence and future-ready investments. Modernisation efforts across our spinning and fabric facilities were fast-tracked, yielding gains in efficiency and product sophistication.

Anticipating shifting demand dynamics, we rebalanced our portfolio toward higher-value dyed and processed textiles, while simultaneously sharpening our technical textiles capabilities. Our supply chain team exhibited exceptional agility, re-routing shipments and refining logistics to offset the disruptions caused by Bangladesh's policy shifts. These decisive actions enabled us to sustain service continuity and uphold our commitments to global partners, even amidst considerable turbulence.

**Financial and Operational Performance Highlights**

This year's performance reflects both the complexity of the operating environment and the strength of our strategic execution. Structural challenges in raw material pricing continued to impact yarn profitability; however, our integrated business model and diversified operations ensured overall stability.

As momentum builds, we remain vigilant of structural challenges—particularly those stemming from India's cotton pricing policies—which continue to impact competitiveness across the value chain.

Financial prudence remained central to our strategy—we funded growth primarily through internal accruals while upholding a conservative debt profile. Importantly, our ongoing investments in automation and process enhancements will strengthen our operational backbone, positioning us to capture margin expansion as market conditions improve.

**Our Strategic Roadmap for Sustainable Growth**

For FY 2025–26, our strategic agenda will centre on three core priorities: driving margin enhancement through product mix optimisation, expanding our footprint in the high-potential technical textiles segment and sustaining operational excellence. We will intensify efforts toward higher-value products, reinforcing our commitment to superior quality and sustainable practices. Our investment initiative in technical textiles will position us favourably to harness the potential of this market segment.

**Environment, Sustainability and Governance**

Vardhman has always been committed and has given utmost importance to achieve highest standards of ESG. Sustainability has never been considered as an obligation to meet the regulatory requirements but its a way of life with our ESG principles remaining the guiding force behind the way we do business. We place a high priority on sustainable business practices adhering to ethical standards and enhancing corporate governance to protect the interests of our stakeholders. As a testament to our commitment to sustainability, during the year, we initiated a 'GreenWeave Project' for development of Decarbonisation and setting Roadmap for meeting ESG standards. With unwavering efforts, our ESG DJSI score stood increased substantially from 20 to 72.

**Acknowledging our Stakeholders**

As we reflect on the year's challenges and accomplishments, I wish to express my deepest gratitude to all our shareholders, which continue to underpin our strategic investments and long-term ambitions. Equally, the loyalty and confidence of our customers have inspired us to uphold the highest standards of quality and service, despite sustained market pressures. I'm also thankful to Bankers, Vendors and Employees for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too. While the external landscape remains complex, our robust fundamentals, diversified capabilities and clear strategic direction position us to deliver enduring value for all stakeholders.

**Looking Forward with Cautious Optimism**

The textile industry is at a pivotal inflection point, with shifting global trade dynamics and rapid technological advancements fundamentally transforming production paradigms. While near-term volatility is expected to persist, Vardhman's robust strategic positioning and operational resilience equip us not only to navigate these challenges but to evolve as a more agile and future-ready organisation.

We remain deeply committed to our vision of establishing Vardhman as a global leader in innovative textile solutions, underpinned by excellence, sustainability and customer-centricity. I look forward to sharing our progress in the year ahead as we continue to translate ambition into enduring value.

With warm regards,

**Shri S. P. Oswal**  
Chairman & Managing Director

## NEW PRODUCT DEVELOPMENT

### Driving differentiation to unlock new opportunities

Vardhman Textiles continues to advance its culture of innovation, driving differentiation, agility and customer-focused excellence across a rapidly evolving and competitive landscape. To support this commitment, the Company has made substantial investments to expand its manufacturing and development capabilities, enabling the creation of high-value, differentiated products and unlocking new market opportunities.

These investments are designed to facilitate the handling of a broader range of fibres and support the development of advanced, value-added offerings tailored to the evolving demands of global consumers.

### A new horizon

Vardhman Textiles is strategically diversifying into a new business segment centered on the production of 100% synthetic filament-based fabrics, aimed at delivering high-value-added offerings. The initial phase of this venture will concentrate on outerwear and sport wear — an increasingly prominent category in the global fabric market.

### Sustainable fibre

As part of its forward-looking sustainability agenda, Vardhman Textiles is contemplating to expand its recycling infrastructure by adding a second recycling line, effectively doubling its capacity in this high-growth segment.

This strategic enhancement is driven by the rising demand for recycled fibres, propelled by growing environmental consciousness, evolving consumer preferences for sustainable products and industry-wide efforts to reduce waste and minimise reliance on virgin materials. By scaling its recycling capabilities, the Company is positioning itself at the forefront of circular innovation in textiles, while reinforcing its commitment to responsible manufacturing and long-term environmental stewardship.

Vardhman Textiles views these initiatives as strategic enablers, positioning the Company as a diversified, technically adept and trusted partner for global brands. By advancing product quality, flexibility and sustainability, Vardhman is well-equipped to navigate market challenges and capitalise on emerging opportunities, demonstrating bold conviction despite prevailing industry conditions.

## CAPITAL INVESTMENTS

### Strengthening our relevance in the fast-evolving textile world.

Vardhman Textiles has undertaken a substantial investment initiative aimed at strengthening its capability matrix, driving operational efficiencies and enhancing cost optimisation. This strategic move also prioritises greater flexibility and advances the Company's sustainability agenda, positioning it to seize emerging growth opportunities with agility and confidence.

The spinning modernisation program is geared towards elevating productivity and cost efficiency, while the expansion of fabric operations is designed to reinforce value addition through enhanced processing capabilities and diversification into new product verticals.

### Modernisation (Yarn & Fabric)

Vardhman Textiles has earmarked ₹1,200 crore for a comprehensive modernisation drive across its spinning and fabric divisions. This initiative involves the phased replacement of legacy machinery in the spinning segment to enhance operational efficiency, reduce utility consumption, increase automation and improve manufacturing flexibility.

Apart from increase in productivity and cost savings, the broader impact of modernisation will lie in future-proofing operations and strengthening the Company's long-term competitiveness. The majority of the upgrades are slated for completion by December 2025.

### Fabric capacity expansion

Vardhman Textiles is investing approximately ₹400 crore to expand its fabric processing capabilities. This includes

another processing line at Vardhman Fabrics, Budhni (MP) which will elevate overall fabric output from the current about 180 million meters to above 210 million meters per annum.

Beyond volume growth, the initiative will significantly enhance value addition by enabling greater conversion of grey fabric into dyed and processed varieties. The upgraded capacity is targeted to be operational in Quarter 3 of FY2025 (October–December), reinforcing Vardhman's commitment to scalability, innovation and market leadership.

Further, an investment of ₹350 crore is being directed toward production of 100% synthetic filament-based fabrics. This initiative will add 18 million meters per annum of dedicated capacity for outerwear products including jackets and wind cheaters. The expansion will be executed in phases, with Phase 1 introducing a monthly capacity of 1.5 million meters, targeted to become operational in Q3 FY2025 (October–December).

### Green power/sustainability

Vardhman Textiles has committed approximately ₹850 crore toward a suite of green initiatives, including the deployment of biomass boilers and the development of solar and wind energy projects. These efforts are designed to significantly elevate the company's green energy footprint, targeting a consumption share of 25–30% within the next two years, with the potential to reach up to 40% within three years. All projects reinforce Vardhman's commitment to responsible growth, carbon reduction and long-term energy resilience.



About us



We are India's leading vertically integrated textile manufacturer.

We are the largest producer of hand-knitting yarn.

We have the largest spindle count in India.

Headquartered in Ludhiana, Punjab, Vardhman Textiles was established by Late Shri Lala Rattan Chand Oswal and stands as a flagship entity of the Vardhman Group. Under the leadership of Chairman Mr. S.P. Oswal, the Company has emerged as a market leader in the textile industry, both within India and internationally.

Renowned for its vertically integrated operations, Vardhman operates state-of-the-art facilities across multiple states, producing premium-quality yarns, fabrics and garments. The Company's unwavering emphasis on quality, eco-conscious manufacturing and employee development reflects its foundational ethos.

What has consistently anchored Vardhman's progress over five transformative decades—amidst a dynamic, cyclical and often disruptive business landscape—is its relentless pursuit of excellence. By consistently benchmarking against global standards and exceeding customer expectations, Vardhman sharpens its competitive edge and redefines industry leadership.



Vision

Rooted in Values, Creating World-Class Textiles



Mission

Vardhman Group, as a world-class textile organisation, aims to produce a diverse range of products for the global textiles market. We strive to achieve customer delight through excellence in manufacturing and customer service based on a creative combination of state-of-the-art technology and human resources. We understand and uphold our responsibility as a good corporate citizen.



Values

- Understand, engage and deliver with total customer focus in all operational areas.
- Ensure the best quality through the latest technology, well-structured and standardised work practices.
- Faith in individual potential and respect for human values.
- Anticipate change and encourage innovation.
- Be a responsible corporate citizen and positively contribute to the society that we live in.



Goals

To make maximum utilisation of resources to innovate, diversify, integrate and build a dynamic enterprise.

Numbers that Define Us

15

Manufacturing Facilities

23,000+

Team Size

1.23 MN

Spindle count

180 MN

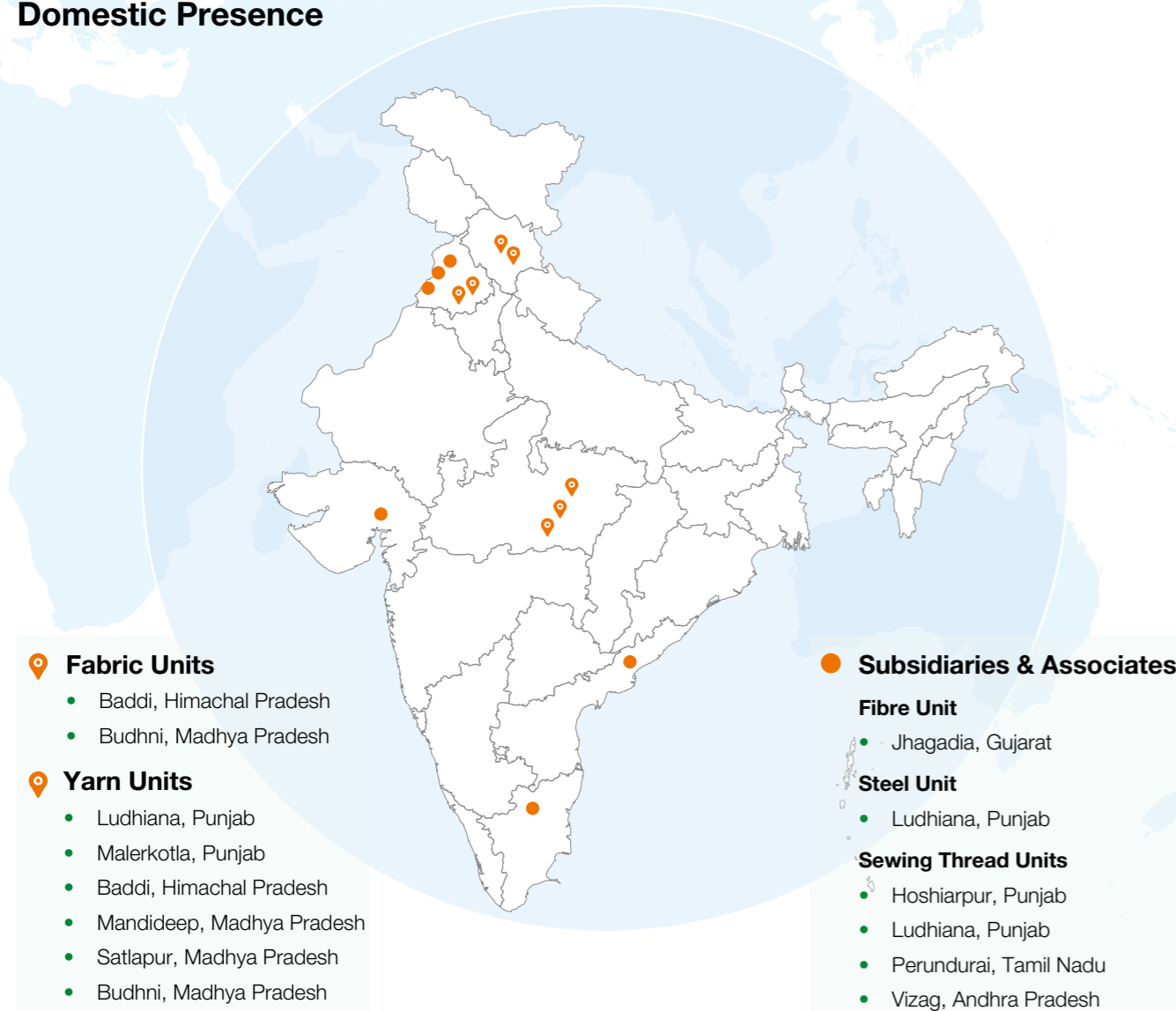
Fabric Processing capacity (Mtrs PA)

30 MN

Printing Line capacity (Mtrs PA)

Our Presence

Domestic Presence



56.86%

Revenue from the domestic market

DOMESTIC REVENUE (₹ crore)

FY22	FY23	FY24	FY25
4,714.91	5,484.39	5,356.10	5,451.50

International Presence



Argentina, Australia, Bangladesh, Belgium, Bosnia And Herzegovina, Brazil, Bulgaria, Cambodia, Canada, Chile, China, Colombia, Croatia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Germany, Greece, Guatemala, Honduras, Hong Kong, Hungary, Indonesia, Israel, Italy, Japan, Jordan, Kenya, Korea, Lebanon, Madagascar, Malaysia, Mauritius, Mexico, Morocco, Myanmar, Netherlands, Oman, Paraguay, Peru, Philippines, Poland, Portugal, Saint Kitts and Nevis, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sri Lanka, Switzerland, Taiwan, Tanzania, Thailand, Tunisia, Turkey, UAE, UK, USA, Venezuela, Vietnam

60+

Nations present across the globe

43.14%

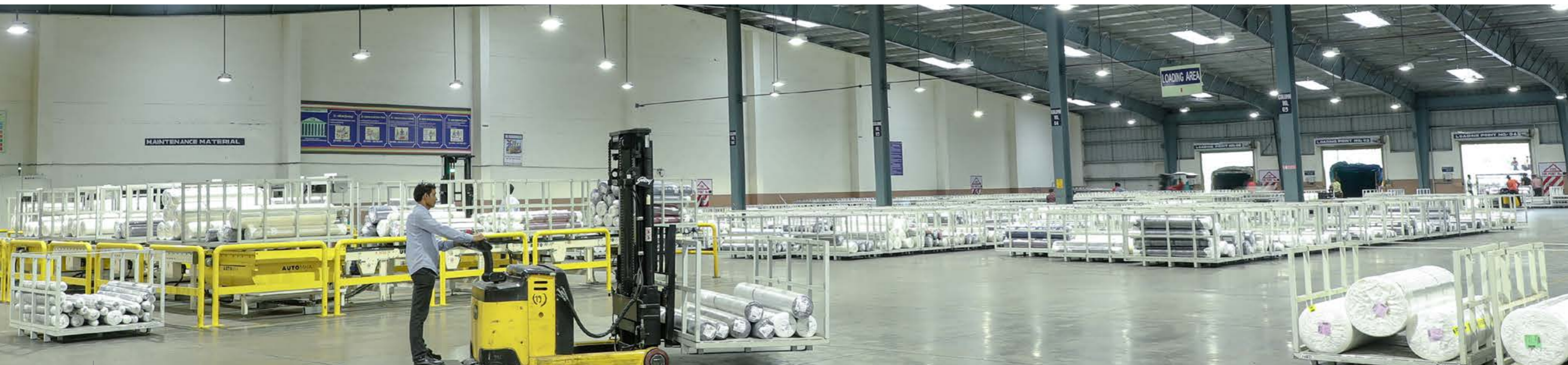
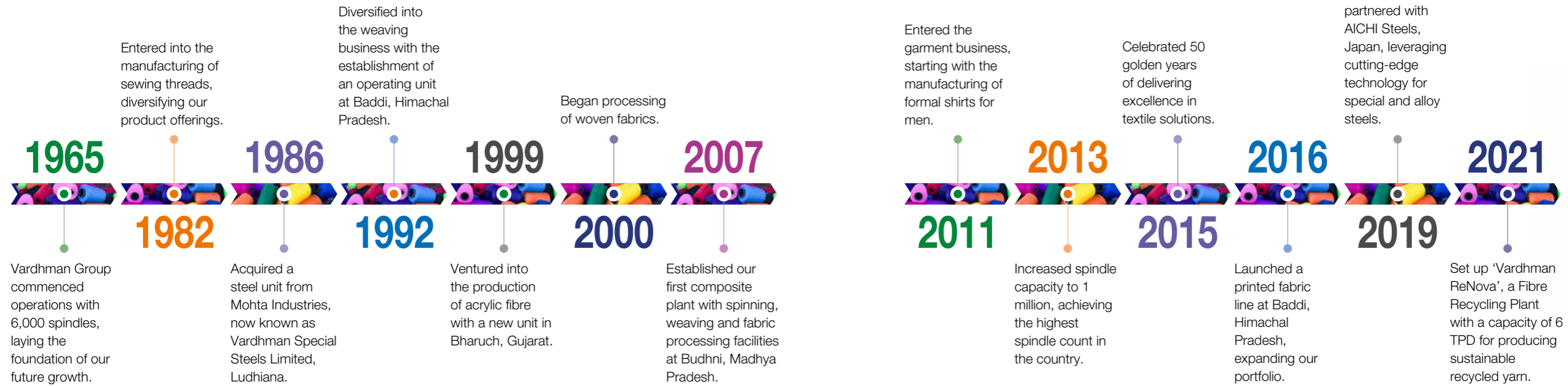
Revenue from international destinations

REVENUE FROM EXPORTS (₹ crore)

FY22	FY23	FY24	FY25
4,671.19	4,356.4	3,942.59	4,135.71

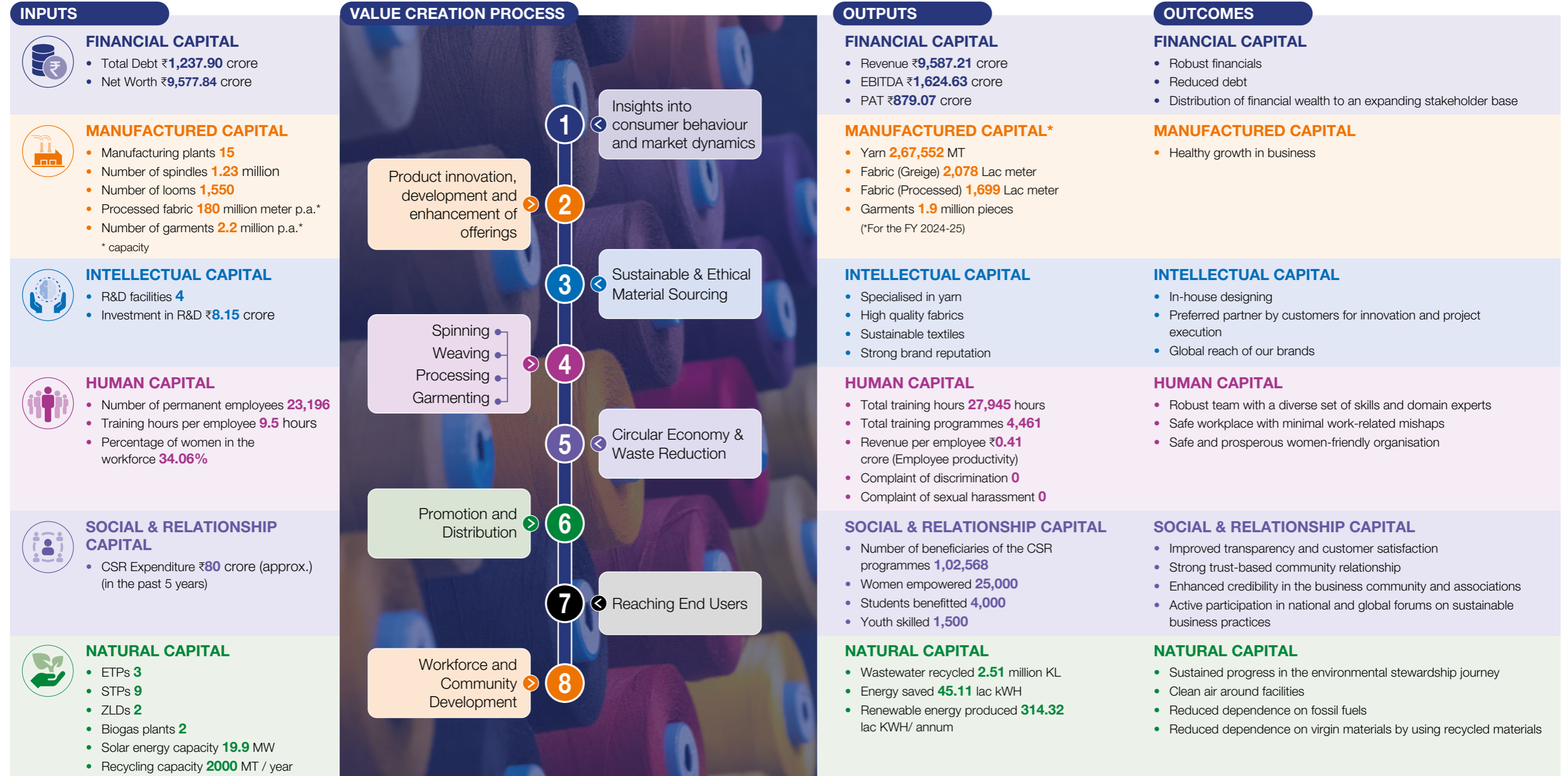
## Our Journey

In the dynamic and demanding textile landscape, our success is defined by agility and precision. We've consistently transformed challenges into opportunities, demonstrating an exceptional ability to adapt swiftly and execute flawlessly. Our journey is marked by milestone achievements that reflect our core strengths—unrivalled craftsmanship, creative problem-solving and an uncompromising commitment to quality. These values continue to propel us forward, reinforcing our position as a trusted leader in the industry.



## Our Value Creation Model

Our value creation model is designed to leverage resource inputs to create long-term beneficial outcomes and impact for our stakeholders. Our improved performance in FY25 reinforces our conviction that we have the right team and strategy to accelerate growth and drive sustained value creation for all stakeholders.



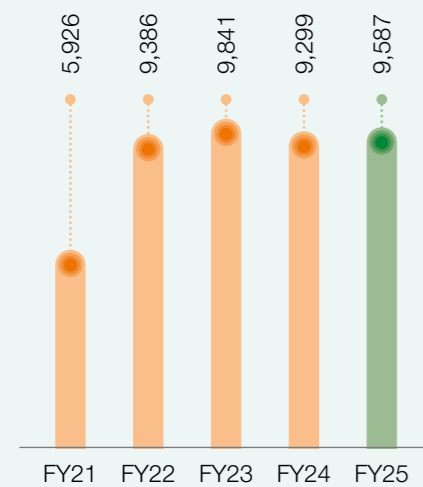


## Our Performance This Year

Despite a challenging operating environment, we delivered a resilient and superior performance during the year under review.

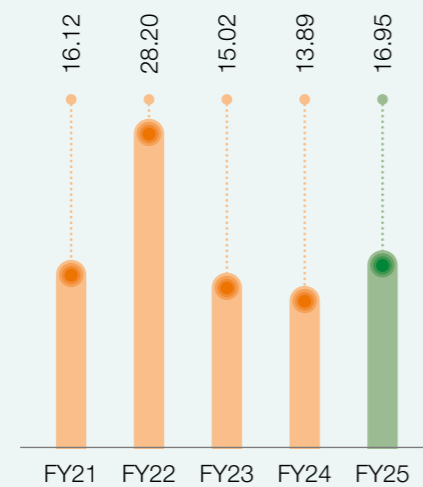
### REVENUE (₹ crore)

9,587



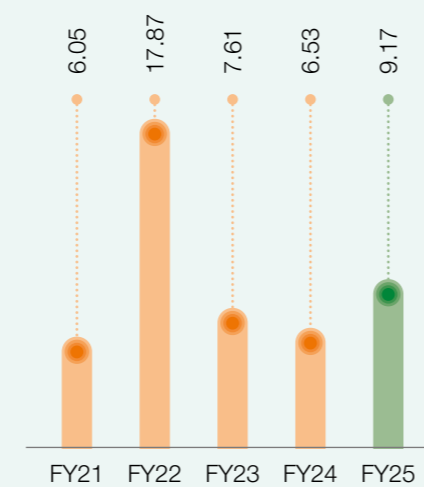
### EBITDA Margin (%)

16.95



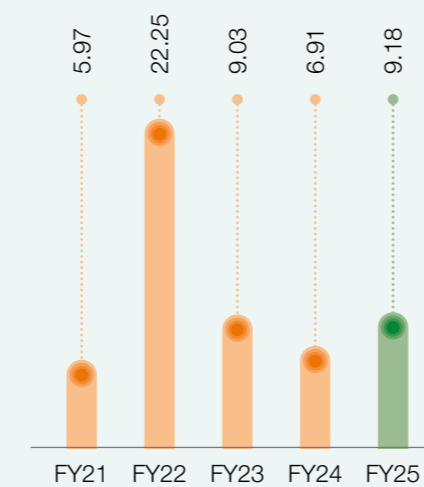
### PAT Margin (%)

9.17



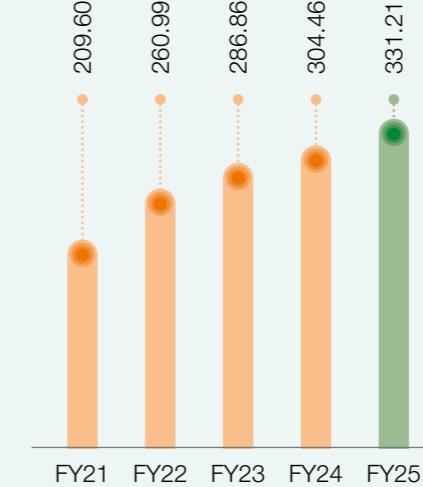
### Return on Net Worth (%)

9.18



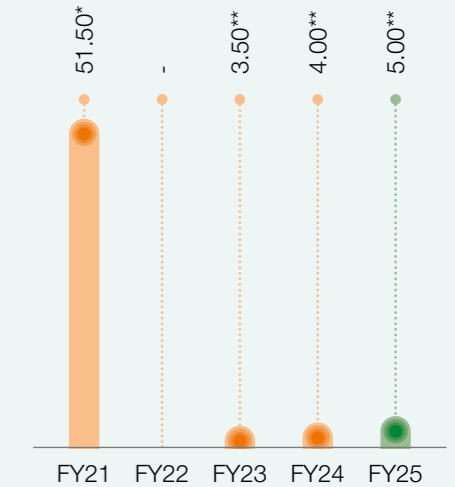
### Book Value per Share (₹)

331.21



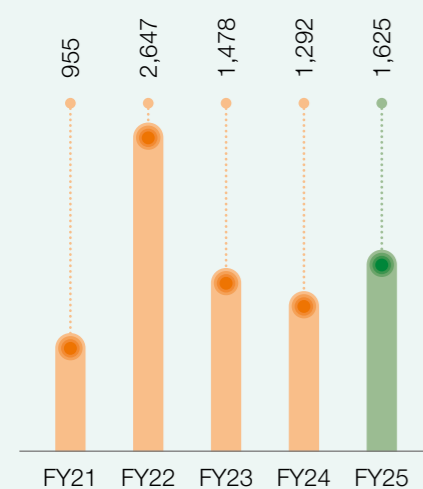
### Dividend per Share (₹)

5.00\*\*



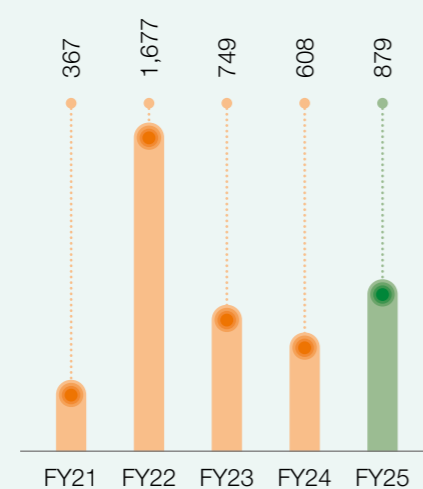
### EBITDA (₹ crore)

1,625



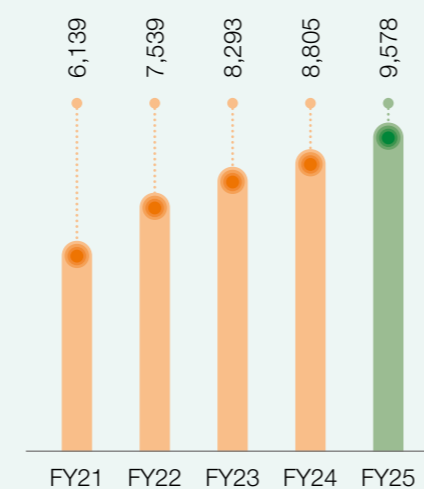
### Profit after Tax (₹ crore)

879



### Net Worth (₹ crore)

9,578



\* Including Interim Dividend of ₹34/- per equity share of ₹10/- each

\*\*On face value of ₹2/- per share

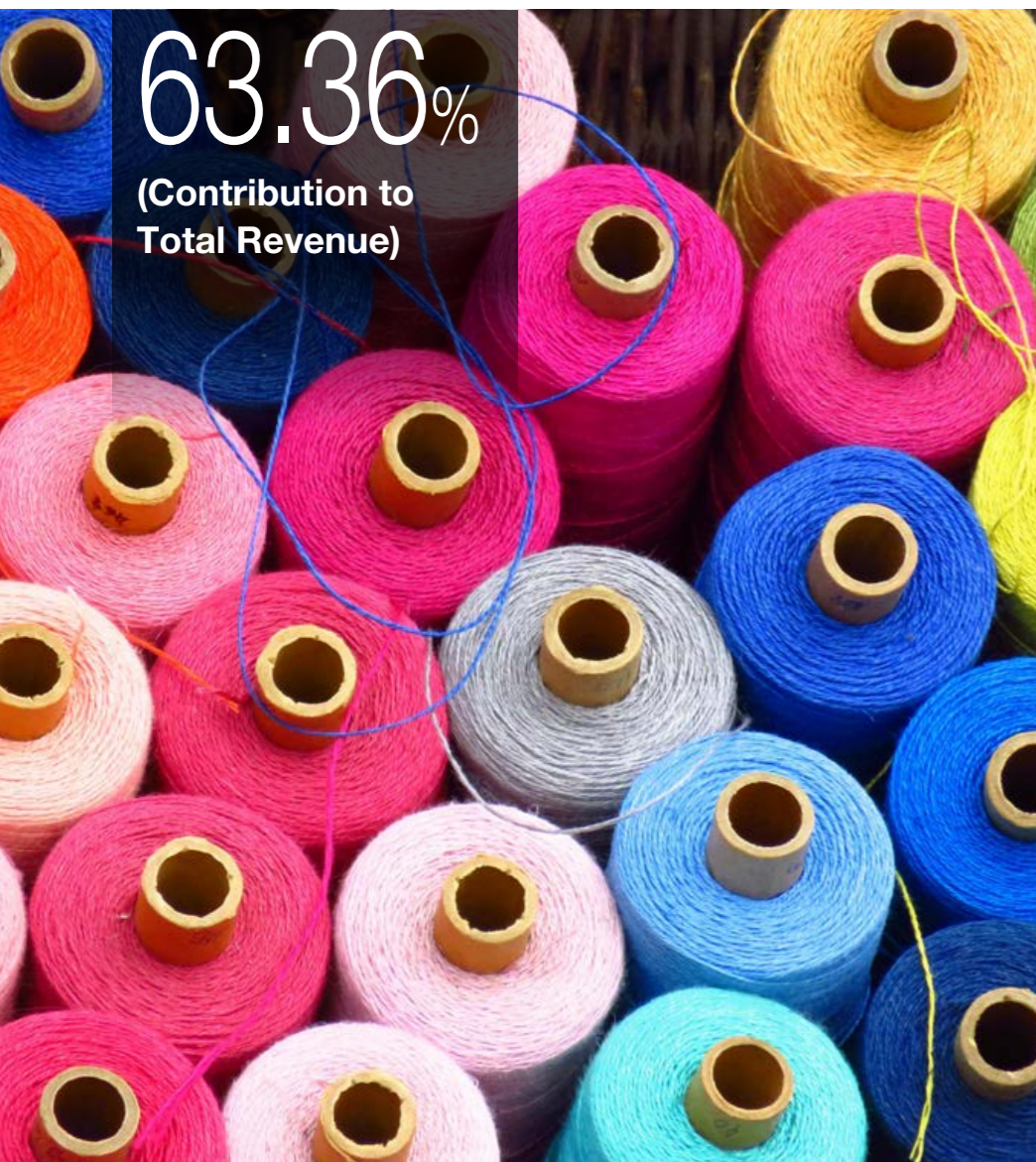




Our Business

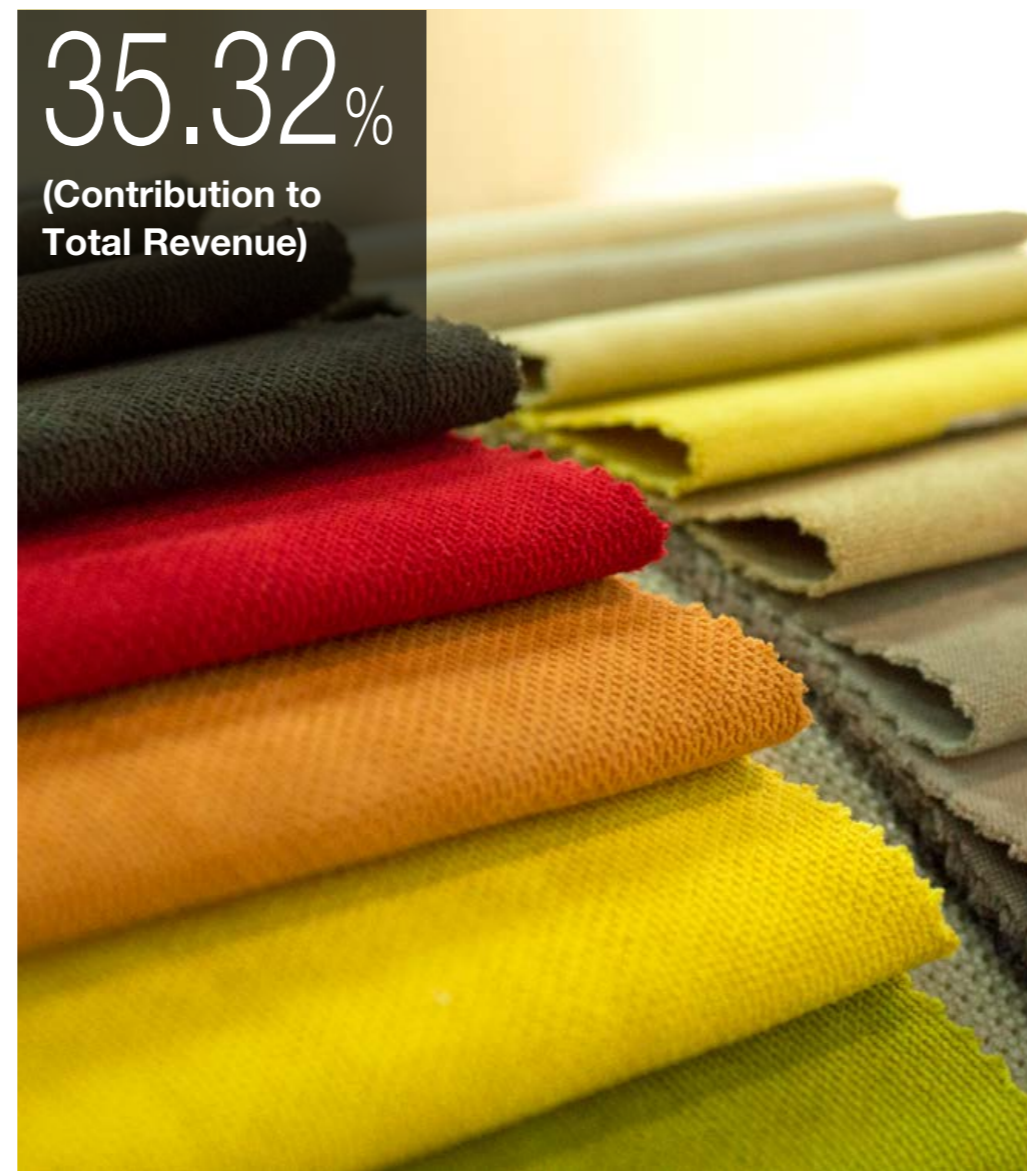
YARN

63.36%  
(Contribution to Total Revenue)



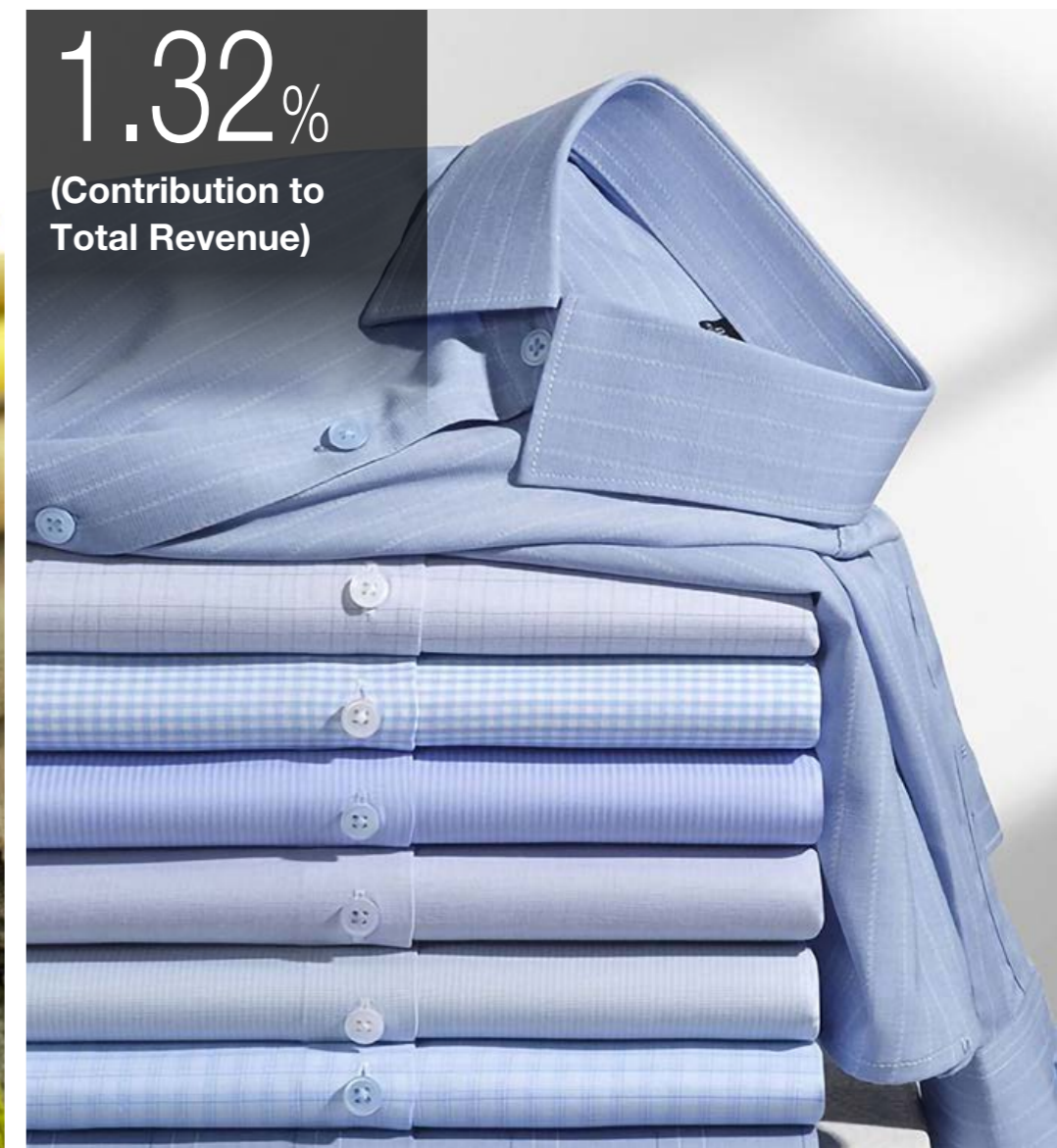
FABRICS

35.32%  
(Contribution to Total Revenue)



GARMENTS

1.32%  
(Contribution to Total Revenue)





## Yarn

---

1.23 MN

Spindle count

---

2,67,552 MT

Yarn Production, FY25

---

₹5,954 CR

Revenue from Operations, FY25

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Vardhman is a market leader in premium yarn manufacturing and exports across the globe, including the most quality-conscious markets of the EU, Japan, USA and Asia, celebrated for its exceptional product quality and tailored solutions that address diverse customer requirements by harnessing advanced spinning technologies from global industry pioneers, the Company endeavours to consistently elevate customer satisfaction through precision production controls and agile responsiveness to evolving market dynamics.

## PRODUCT RANGE

Melange, Open-End Yarn, MVS, Slub, Functional, Acrylic Fancy, Cospun, Super Fine, Cellulose, Recycled, Siro, Jaspe, Hand Knitting Yarns, Sustainable Yarns, Gassed Mercerised.

## STRENGTHS

- Widest range of products to meet every application
- Cutting-edge spinning technology sourced from global leaders
- Considerable global footprint spanning over 55 nations

## PERFORMANCE IN FY25

The spinning industry navigated considerable headwinds owing to elevated prices of cotton and artificial fibres.

- Elevated cotton prices in India (owing to the Minimum Support Price) and imposition of duty on imports impacted the availability of cotton fibre at reasonable prices.
- As per the quality control standard implemented by the Govt., the import of any material to be sold in India, or any fibre that will be sold in India, including man-made fibre, must be approved. This has effectively prevented the import of synthetic, polyester and viscose products in India.

While yarn demand remained steady, profitability dropped sharply, forcing spinners to throttle operations. Vardhman also could not remain immune. Its asset utilisation dropped, sales volumes dipped and the overall performance got affected.

## BUSINESS ENHANCING INITIATIVES

- Modernising existing spinning units aims to improve efficiency, reduce costs (such as utility and power) and enhance flexibility for differentiated products.
- Pursuing improvement in man-machine productivity through debottlenecking.
- Contemplating to expand recycling capabilities by adding a second recycling line.
- Developing differentiated and value-added products to cater to evolving customer requirements.

## VISIBILITY ON THE HORIZON

Future margin enhancement in the spinning sector will hinge on either a convergence of India's raw material costs with international benchmarks or a shift in government policy. While demand and export volumes for yarn remain steady, persistent cost pressures are expected to weigh on profitability. Meaningful margin expansion appears unlikely in the near term without a rise in global cotton prices or targeted policy interventions, such as revisions to import duties or reforms in domestic cotton pricing mechanisms.

## THE SILVER LINING

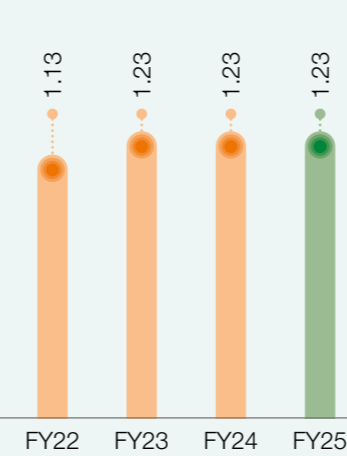
India continues to attract a growing presence of global brands, with more expected to enter the market in the near future. These brands demand innovative blends, consistently high quality and stringent delivery timelines—requirements that pose significant challenges for many domestic spinners. Recognising this opportunity, Vardhman has initiated partnerships with several international brands operating in India and is committed to deepening these relationships. Over the coming years, the Company will focus on expanding its footprint within this segment by aligning capabilities with global standards and delivering exceptional value.

## BLUEPRINT FOR TOMORROW

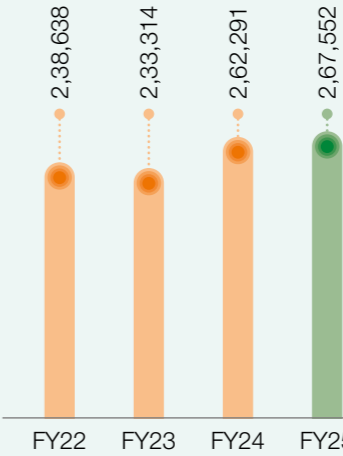
Despite prevailing market challenges, Vardhman remains focused on strengthening internal efficiencies and advancing its modernisation agenda. These strategic initiatives are designed to enhance operational resilience and better position the Company for recovery as market dynamics improve and policy adjustments unfold. Investments in upgrading spinning facilities are central to this approach, aiming to achieve a margin improvement in the near term.



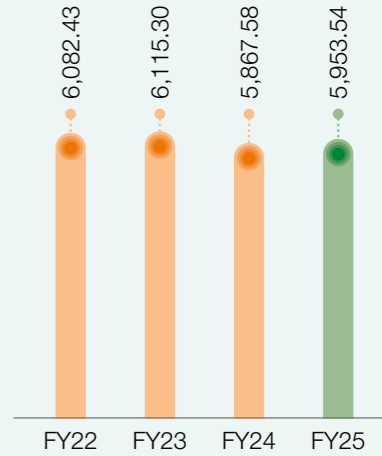
### SPINDLE COUNT (MN)

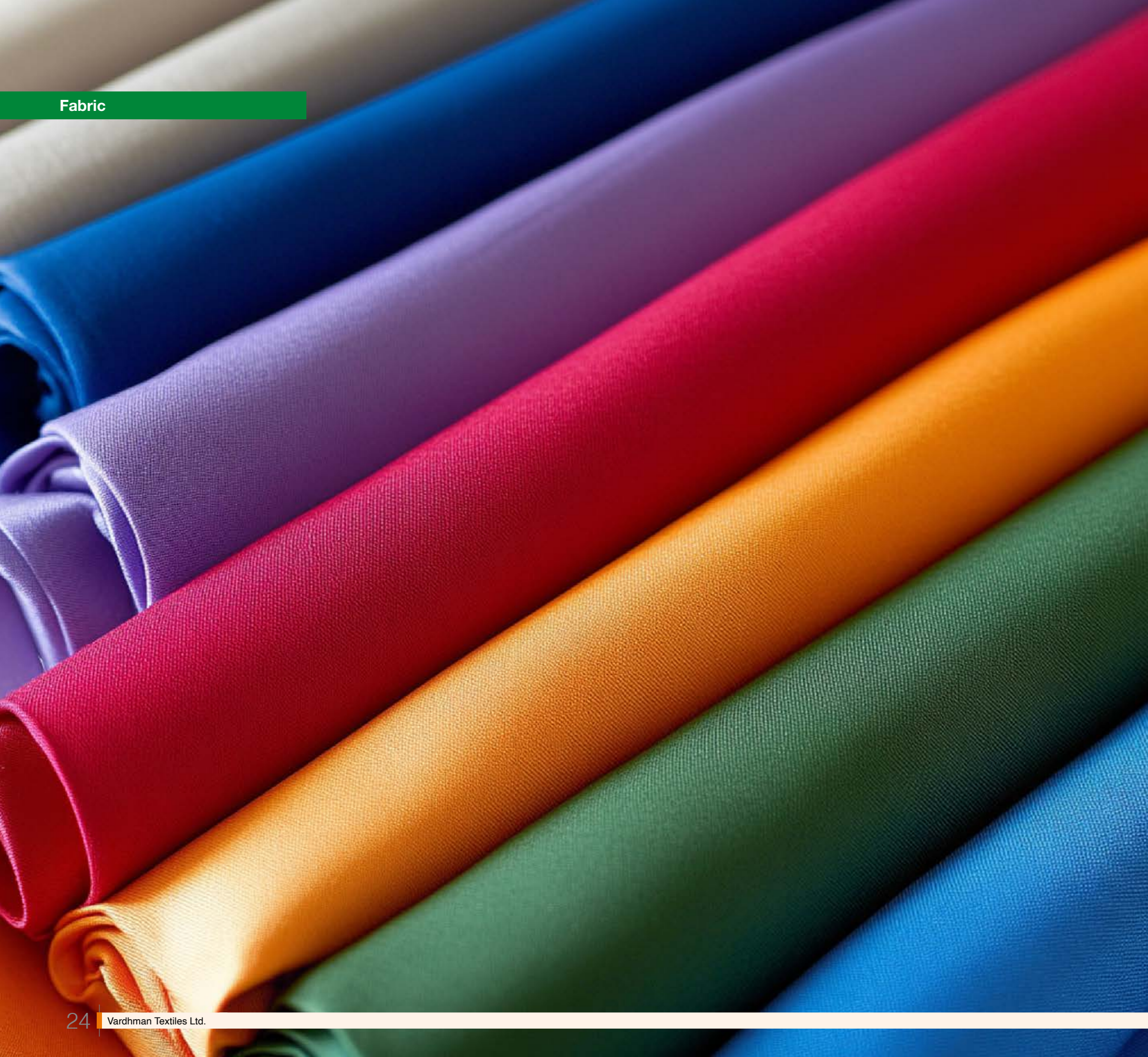


### PRODUCTION (MT)



### REVENUE FROM YARN DIVISION (₹ crore)





## Fabric

---

1,550

Looms

---

180 MN MTRS PA

Fabric Processing capacity

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₹3,319 CR

Revenue from Operations, FY25

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As one of India's leading vertically integrated textile companies, we deliver end-to-end fabric solutions for both top and bottom wears across the global apparel spectrum. Our extensive infrastructure—powered by a blend of cutting-edge European and Japanese technologies—enables us to seamlessly produce an expansive range of piece-dyed, yarn-dyed and printed fabrics tailored to both casual and formal applications.

From fibre to finished fabric, our operations are designed for scale, precision and responsiveness to evolving market trends. We cater to some of the world’s most discerning retailers and brands, consistently delivering quality, consistency and customisation.

Central to our product evolution is a dynamic in-house design team that blends creative foresight with deep market insight. Each season, our collections reflect a balance of innovation and wearability, with nearly one-third of our newly launched fabrics originating from our new design concepts. This design-led approach fuels our commitment to staying ahead of fashion cycles while aligning with the expectations of global fashion leaders.

### PRODUCT RANGE



Piece Dyed



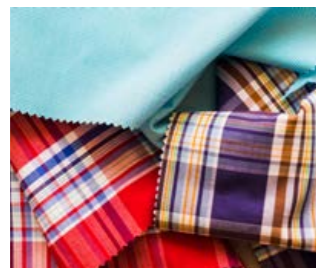
Yarn-Dyed



Prints



Fibre Blends



Specialty Finishes

### STRENGTHS

- Product diversity in terms of application (tops and bottoms) and appeal (formal and casual).
- Marquee international and domestic brands that highlight the Company’s product quality.
- Asset base, which comprises equipment and technology sourced from leading global names.

### PERFORMANCE IN FY25

The fabric business demonstrated strong performance throughout the financial year. This success was primarily driven by robust demand across several markets, including the US, UK and EU, fuelled by improved retail sales and the replenishment of inventories by international retailers. Additionally, the "China Plus One" strategy has opened up opportunities, drawing more business to India.

Throughout the year, the division operated at or near full capacity utilisation for most products. Margins in the fabric segment improved, contributing to the Company's overall positive results and buffering the pressures faced in yarn margins. This improvement was attributed to a diversified customer base, a broader array of blends, the development of new value-added products and increased production flexibility.



### BUSINESS ENHANCING INITIATIVES

The Company continued to strengthen its value proposition by prioritising superior products, diversified offerings and innovation-driven enhancements. This approach encompassed advancements in weaving capabilities to seamlessly integrate new fibre types and the development of differentiated products tailored to evolving market demands.

To further elevate its operational agility and product flexibility, the Company initiated a comprehensive modernisation project aimed at expanding its fabric capacity. This includes the integration of sophisticated equipment, expansion of existing solid-dyed and yarn-dyed lines and the addition of a processing line to accommodate growing demand.

A key milestone in this journey was the decision of a strategic entry into the 100% synthetic filament-based fabric segment. This will mark a significant leap in portfolio diversification and catering to the expanding preference for technical textiles.

### VISIBILITY ON THE HORIZON

The India-UK Free Trade Agreement (FTA) is poised to unlock long-term growth, stimulate investment and create a more conducive business environment for the Indian textile industry. This bilateral framework is expected to significantly strengthen export momentum and enhance market access for domestic manufacturers.

Woven apparel exports from India to the UK, currently valued at approximately US\$753 million, are projected to more than

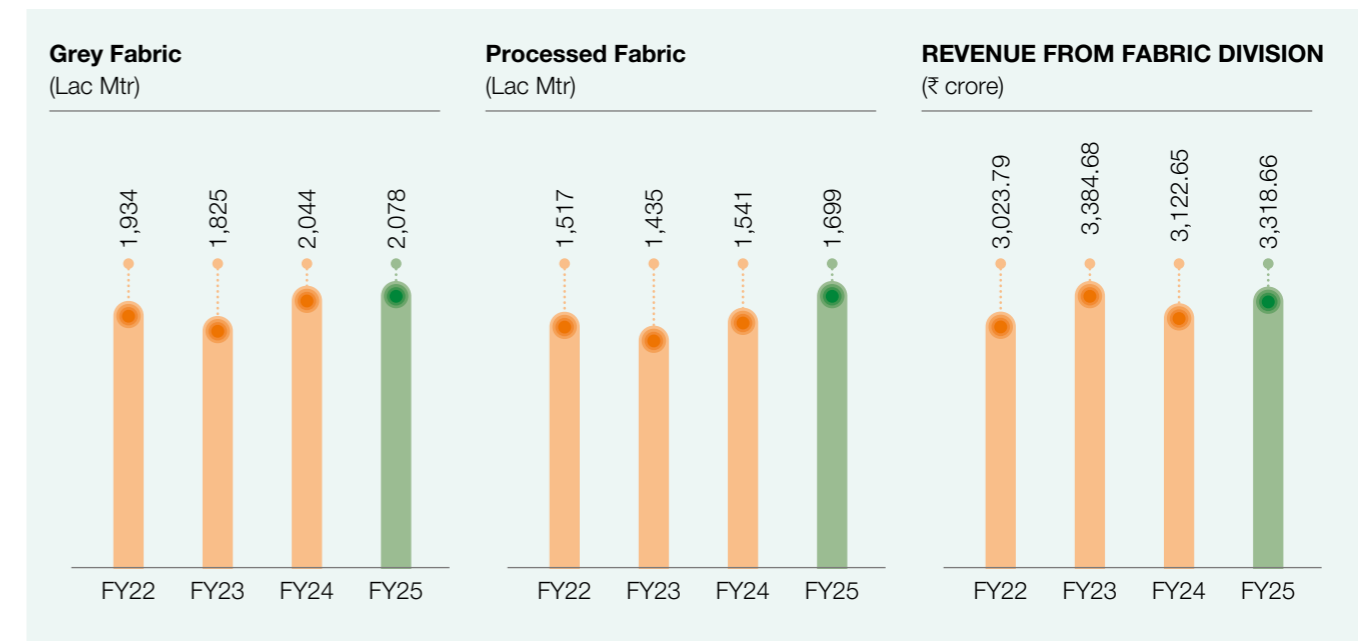
double—reaching US\$1.6 billion by 2030. Similarly, knitted apparel is expected to grow from US\$654 million to US\$1.13 billion, while made-up textile products could rise from US\$276 million to US\$477 million.

On the domestic front, India’s expanding middle class and rising disposable incomes are projected to drive discretionary spending over the next three to five years. This socio-economic shift is anticipated to sustain robust demand for a wide range of fabrics, further fuelling growth opportunities across the textile value chain.

### BLUEPRINT FOR TOMORROW

By the end of calendar year 2025, the Company is poised to complete its expansion projects. This strategic enhancement will enable diversification into synthetic fabrics, broadening the overall product portfolio. More critically, it will facilitate a shift away from grey fabrics toward dyed and processed alternatives—value-added segments that are experiencing strong and growing demand from both existing and prospective customers.

The Company remains committed to fully utilising its expanded capacity by fiscal year 2028. Backed by strategic foresight, operational agility and deep customer engagement, the Company is confident in its ability to leverage this expansion to accelerate growth and strengthen its market leadership.





2.2 MN SHIRTS P.A.

Manufacturing capacity

₹ 126 CR

Revenue from Operations, FY25

Vardhman's garment unit is equipped with state-of-the-art machinery sourced from Japan, Germany, USA and China, reflecting its dedication to global manufacturing excellence. Specializing in both formal and casual shirts, the unit places a strong emphasis on quality, comfort and functionality—ensuring exceptional customer satisfaction and consistent product excellence.

Utilizing advanced production technologies—such as liquid ammonia treatment and baking machines— Vardhman’s Garments division consistently delivers premium-quality garments, with notable expertise in Post-Cure and Taped shirts that showcase exceptional finishing and superior durability.

Renowned for its unwavering commitment to quality and ethical manufacturing practices, the division holds esteemed international compliance certifications from WCA and SEDEX. Further reinforcing its reputation, it has been awarded Green Channel Certification by leading global apparel brands, affirming its position as a trusted and responsible manufacturing partner.

### PRODUCT RANGE

Classic formal taped shirts and smart casual shirts are crafted from a diverse range of high-quality fabrics, including 100% Cotton, Poly-Cotton blends, Cotton Stretch/Lycra, Linen, Cotton Modal, Cotton Tencel, Cotton Viscose, Mélange and more.

### STRENGTHS

- Leverages cutting-edge technology across all stages of garment production.
- Adheres to rigorous quality standards, earning the trust of prestigious global brands.
- High demand is driving the need for capacity expansion.

### PERFORMANCE IN FY25

Despite its lean scale and limited manpower, the division has continued to operate profitably. This success underscores the dedication of a high-performing team that drives efficiency and innovation—maximizing output, ensuring consistent quality and responding to customer needs with agility and precision.

### BUSINESS ENHANCING INITIATIVES

- **Capacity Expansion:** Increasing production lines to meet rising export demand and ensure timely, high-volume deliveries.
- **Technology Upgradation:** Adopting advanced machinery to boost efficiency, accuracy and product quality.
- **Product Diversification:** Broadening the range with performance shirts, sustainable fabrics and innovative blends & value-added products to meet evolving market needs.

#### • New Brands:

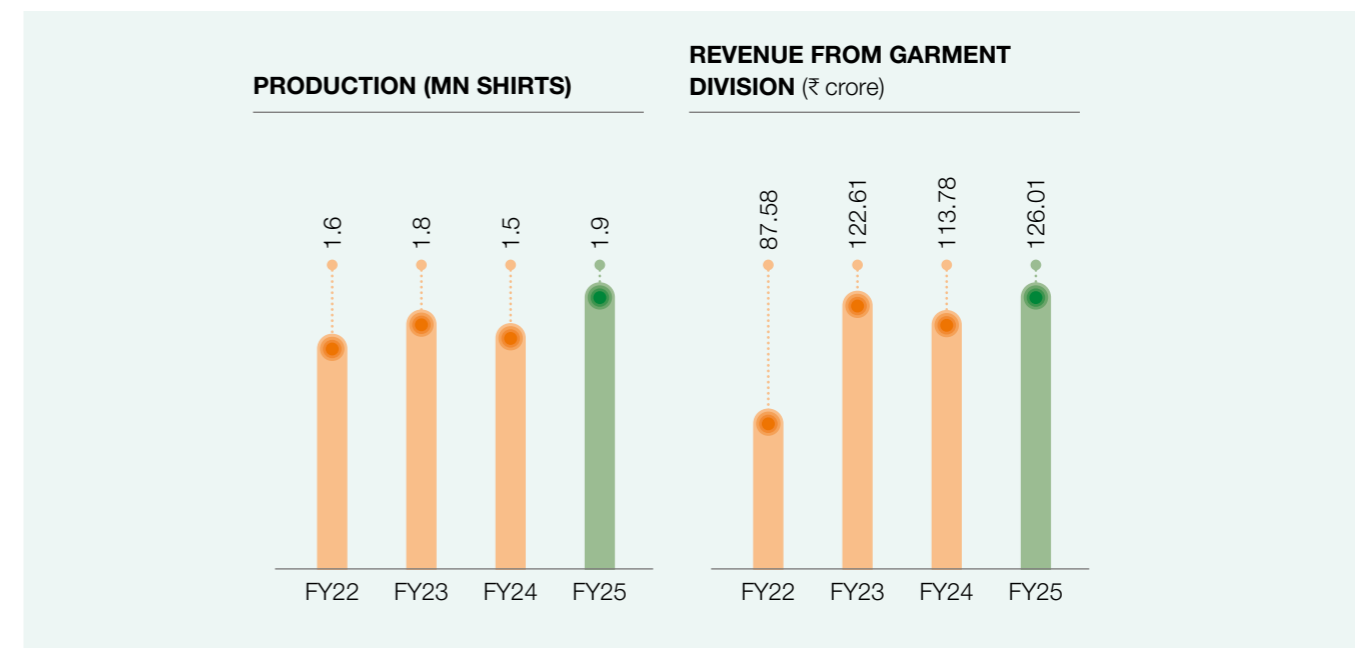
- Zara
- Land’s End
- Ben Sherman

### VISIBILITY ON THE HORIZON

Vardhman has firmly established itself as a leading shirts to top men’s fashion brands, both in India and international markets. The Company is well-positioned to leverage favorable global macroeconomic trends such as rapid urbanization, rising employment levels and increasing disposable incomes - all contributing to higher discretionary spending worldwide. The growing global shift towards branded, premium apparel driven by heightened fashion consciousness and lifestyle upgrades is further amplified by the expanding reach of e-commerce, particularly in emerging markets. These structural dynamics present a strong growth trajectory for Vardhman’s product portfolio, reinforcing its position as a preferred partner for high-quality garment solutions in the global apparel industry.

### BLUEPRINT FOR TOMORROW

The Company is actively expanding its garment unit, aiming to scale production from approximately 6,000 shirts per day to 10,000 shirts per day, strengthening its capacity to meet growing global market demand.





**Key strengths**

## Our niche capabilities that sustain our progress in an otherwise dynamic textile ecosystem

In today's dynamic industrial landscape, Vardhman Textiles continues to distinguish itself through a sustained and evolving competitive edge. The Company remains committed to innovation, superior product quality and operational efficiency—key pillars that drive value and ensure relevance in a competitive marketplace.

By embracing distinctive designs, integrating sustainable practices and enhancing process agility, Vardhman deepens customer engagement while reinforcing brand visibility across global textile markets. Its focus on cost efficiency and responsible manufacturing positions the Company as a trusted partner to discerning clients and stakeholders.

This strategic blueprint, anchored in resilience, adaptability and long-term thinking, ensures sustained growth, market leadership and the creation of enduring stakeholder value.

### VERSATILITY

Vardhman's diversified product portfolio—encompassing yarns, fabrics and garments—serves as a strategic cornerstone in its competitive edge. The Company's commitment to sustainability and high-quality offerings reinforces its global market presence, attracts a broad customer base and insulates performance against economic volatility. This versatility fuels continuous innovation, strengthens brand equity and drives steady growth, establishing Vardhman as a frontrunner in the dynamic textile landscape.

### QUALITY

Driven by an unwavering commitment to customer satisfaction, the Company enforces rigorous quality inspections conducted by highly skilled specialists. Its robust quality management systems, supported by precise batch documentation, ensure consistency both within individual batches and across production cycles. The organisation places a strong emphasis on standardising raw materials—including cotton, man made fibres and dyes & chemicals—across all stages of manufacturing. Through advanced digital and programmatic controls, it harnesses cutting-edge technology and equipment to deliver results that not only meet but consistently exceed customer expectations.

### FLEXIBILITY

The Company's expansive product portfolio empowers customers with exceptional selection flexibility. Its manufacturing infrastructure is meticulously calibrated for responsiveness and agility. Elevated weaving capacity supports seamless fabric processing, while enhanced spinning output ensures robust weaving throughput. This built-in surplus at upstream stages enables operational maneuverability and maximises machine availability, equipping the Company to meet evolving customer needs efficiently.

### AGILITY

The management team continues to demonstrate agility, determination and a proactive mindset—especially during challenging market conditions. Their decisive actions signal a strong confidence in long-term prospects. By prioritising controllable levers such as modernisation, product innovation, mix optimisation and cost efficiencies, they are creating a resilient and future-ready foundation.

### RELIABILITY

Vardhman's advanced infrastructure and strategic planning capabilities support seamless global product distribution. Integrated production planning across the value chain ensures optimal machine availability and timely output. Forward-looking HR practices, continuous workforce development and rigorous safety protocols further reinforce the Company's operational reliability. Extensive warehousing capacity adds resilience, enhancing adaptability to external disruptions.

### TRACEABILITY

With fully integrated operations from spinning to processing, the Company ensures seamless and verifiable traceability. For buyers of BCI Cotton, provenance can be traced back to the farm or gin. This granular visibility enables effective root cause analysis, improves operational responsiveness and strengthens quality assurance across the value chain.

### ACCEPTABILITY

Vardhman stands out as a prominent and well-structured enterprise within the global textile sector, earning recognition as a trusted partner for marquee fashion brands internationally and in India. Its broad customer portfolio, spanning geographies and segments, reflects growing relevance from long-standing clients and new relationships, underscoring its reputation for reliability and market responsiveness.



## Our Strategic Approach



In an increasingly dynamic global landscape, strategic foresight remains vital to navigating complexity and unlocking opportunities. Vardhman continues to align its planning with evolving consumer preferences and macroeconomic shifts, enabling enhanced market positioning and resource efficiency. This adaptive strategy fortifies the Company's long-term resilience and growth trajectory, reinforcing its commitment to sustainable value creation.

### EXPANDING FABRIC PRODUCTION CAPACITY

Vardhman Textiles plans to increase its fabric production capacity by the end of 2025, thereby enhancing its ability to meet the rising global demand. This strategic expansion strengthens its market position, supports economies of scale and ensures timely delivery to clients, driving sustainable growth.

### FOCUSING ON VALUE-ADDED PRODUCT PORTFOLIO

The Company is focusing on producing differentiated and value-added products. Such initiatives include handling more fibres and expanding into new areas, such as 100% synthetic filament-based fabric. This expansion aims to increase its' product basket.

### COMMITMENT TO SUSTAINABILITY

Significant investments in green power aim to substantially increase the share of green energy consumption, driven by customer demand for sustainability. The Company is contemplating to expand its recycling capacity to align with global trends and foster growth. By integrating energy-efficient technologies and sustainable materials, it aims to minimise environmental impact, meet global standards and attract eco-conscious consumers, thereby enhancing its brand reputation and competitiveness.

### STRENGTHEN GLOBAL PARTNERSHIPS WITH KEY APPAREL BRANDS

Vardhman plans to deepen ties with leading global apparel brands, fostering long-term collaborations. This strategy enhances supply chain reliability, secures consistent orders and expands market reach, positioning the Company as a preferred supplier in the competitive global textile industry.

### TARGETING TO BOOST THE TOP-LINE GROWTH IN FY26

Vardhman Textiles aims to increase revenue from its fabric division in FY26, driven by expanded production and new market opportunities. This ambitious goal focuses on optimising operations, enhancing product offerings and penetrating high-demand regions, ensuring sustained financial growth and a stronger global presence.

## Risk Management



## Challenges and Efforts to Mitigate Them

Risk is a fundamental and unavoidable part of every business. Vardhman is dedicated to managing its risk proactively. Although risks can't be eliminated, a robust risk management plan ensures that risks are reduced, avoided, retained or shared.

### 1 Risk: ECONOMIC SLOWDOWNS

Global or regional economic downturns can lead to a decrease in demand for textiles and apparel.

#### Mitigation measures

- Has a strong presence in the international space with exports to more than 60 nations.
- Focus on strengthening its global presence by enhancing its business with global fashion brands.
- Maintains a low debt and strong cash position, providing financial resilience.

### 2 Risk: RAW MATERIAL PRICE VOLATILITY

Fluctuations in cotton and synthetic fibre prices impact production costs and profitability.

#### Mitigation measures

- Diversifying sources beyond traditional domestic channels when market conditions are favourable.
- Uses hedging strategies to stabilise input costs.

### 3 Risk: TECHNOLOGICAL DISRUPTION

Rapid technological advancements may render existing manufacturing processes obsolete.

#### Mitigation measures

- Periodic modernisation projects have ensured that the Company stays at the cutting edge of technology.
- Procures state-of-the-art machinery and automation systems from leading global textile equipment manufacturers.
- The average age of the equipment is among the best in the Indian textile industry.

### 4 Risk: PRODUCT OBSOLESCENCE

Rapidly changing customer preferences are prompting textile companies to prioritise new product development.

#### Mitigation measures

- The in-house design team continues to craft dynamic seasonal collections that blend contemporary appeal with deep market insight.
- The Fabric Development Centre, led by expert engineers in fibre-to-finish technology, actively drives product innovation and feasibility with a forward-looking approach.

### 5 Risk: ENVIRONMENTAL AND REGULATORY COMPLIANCE

Stringent environmental regulations may increase compliance costs and limit operational flexibility.

#### Mitigation measures

- Sustains its investment in eco-friendly technologies to optimise resource consumption and reduce its carbon footprint.
- Strictly adheres to global sustainability certifications.

### 6 Risk: FUNDING RISK

The ongoing modernisation project and expanding business operations demand increased funding.

#### Mitigation measures

- Internal accruals will help fund capital-intensive projects.
- A low debt-equity ratio of 0.13x as on March 31, 2025, provides considerable room for sourcing external funds.



# ESG



## VARDHMAN GOALS & TARGETS

### ALIGNMENT OF VARDHMAN GOALS WITH UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Area	Commitments & Targets	UN SDG(s)
 Hazardous Substances	ZDHC MRSL Compliance: 100% by 2030	SDG 12 – Responsible Consumption and Production 
 Biodiversity	Net Positive Impact (NPI) on biodiversity by 2050 No gross deforestation by 2045	SDG 13 – Climate Action 
 Packaging	Reduce virgin plastic by 20% by 2030 100% sustainable packaging by 2030	SDG 12 – Responsible Consumption and Production 
 Gender Diversity	20% women at management level by 2030- 45% overall gender diversity by 2030	SDG 5 – Gender Equality  SDG 10 – Reduced Inequalities 
 Emissions	42% reduction in Scope 1 & 2 emissions by 2030 Net Zero by 2045	SDG 13 – Climate Action 
 Water	30% reduction in freshwater consumption by 2030	SDG 6 – Clean Water and Sanitation 
 Waste	50% reduction in waste to landfill by 2030	SDG 12 – Responsible Consumption and Production 
 Health & Safety	Zero fatalities- Reduce LTIFR and first aid incidents by 25% YoY- Zero occupational diseases	SDG 3 – Good Health and Well-being 

### FY 24- 25 HIGHLIGHTS-ESG HIGHLIGHTS

**S&P Global**  
Ratings

72

ESG Score

**SUSTAINALYTICS**

18.6 (LOW RISK)

Risk Rating is 18.6

**CRISIL**  
Ratings

52

ESG Score

## VARDHMAN ESG GOVERNANCE STRUCTURE

At Vardhman, our ESG governance is led by a diverse Board of Directors committed to embedding ESG principles across our business strategy. The ESG Committee oversees vision setting, risk management, KPI monitoring and compliance with regulatory frameworks. Under the leadership of the Chief Sustainability Officer (CSO), we execute ESG strategies, maintain transparent disclosures and drive climate initiatives including Net Zero commitments, carbon neutrality and renewable energy integration.



## ESG COMMITTEE

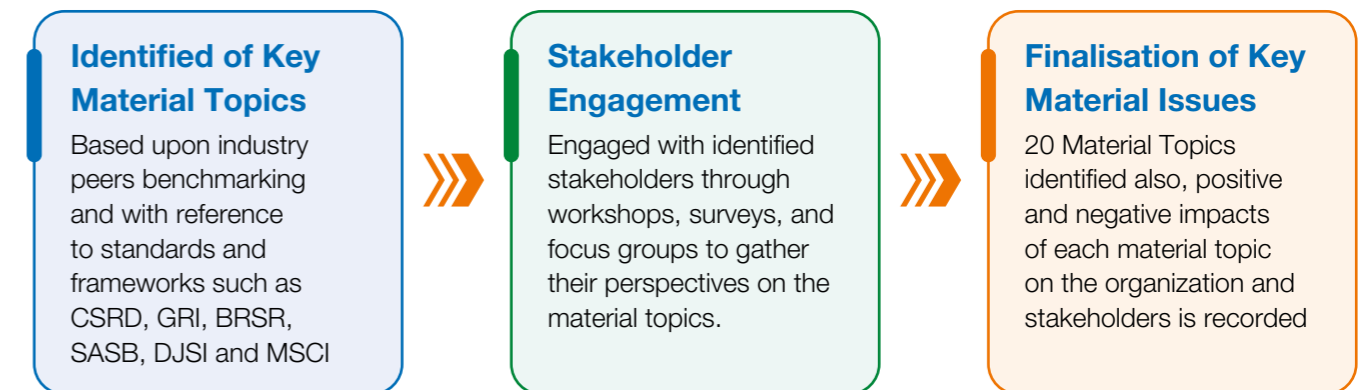
Name	Role/Designation	Type
Mr. Suresh Kumar	Chairperson	Independent Director
Dr. Prem Kumar	Member	Independent Director
Mrs. Suchita Jain	Member	Executive Director
Ms. Sagrika Jain	Member	Executive Director
Mr. Neeraj Jain	Member	Executive Director



## DOUBLE MATERIALITY ASSESSMENT

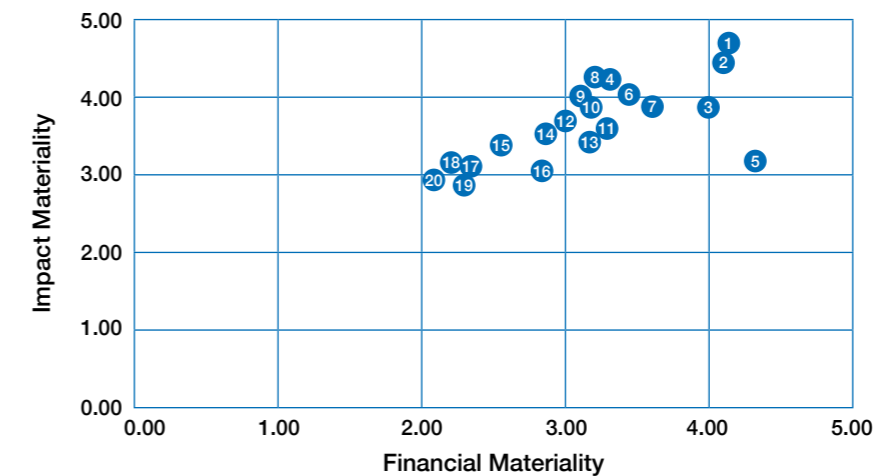
Double Materiality assessment is conducted to identify Vardhman's key material topics as it is available on our website –<https://www.vardhman.com/Document/ESG/Double%20Materiality%20Report.pdf>

According to this analysis, material topics were identified by benchmarking industry peers and reviewing key ESG standards such as CSRD, GRI & SASB and 20 key material topics are identified



## MATERIALITY

### Double Materiality Analysis



Material Topics	
1	Climate Change
2	Water Stewardship
3	Responsible Sourcing
4	Waste Management
5	Customer Satisfaction
6	Product Stewardship
7	Human Capital Development
8	Pollution
9	Health & Safety
10	Biodiversity
11	Business Ethics and Conduct
12	Corporate Governance
13	Human Rights & Labour Practices
14	R&D and Innovation
15	Product Quality and Product Safety
16	Data Privacy & Security
17	Diversity, Inclusion and Equal Opportunity
18	Resource Efficiency
19	Community Engagement
20	Policy, Law & Regulation Influence

## CLIMATE- RELATED RISKS AT VARDHMAN TEXTILES

Climate-related risks are identified based on Vardhman's Double Materiality assessment, aligned with CSRD ESRS guidelines. According to the TCFD, these risks are categorized into two main types: transition risks, associated with the shift to a lower-carbon economy and physical risks, linked to tangible impacts from climate change. To effectively address these risks, our financial planning and business strategy consider the potential financial impacts of climate-related risks and opportunities, enabling informed decision-making. Our strategy encompasses various aspects, including products, supply chain, research and development (R&D) and operations.

Type of Climate- related Risks	
<b>Physical Risks- Type</b>	
Acute Risks	These are event-driven, like increased frequency and severity of extreme weather events such as floods, hurricanes, heatwaves and wildfires.
Chronic Risks	These are longer-term shifts in climate patterns, such as rising sea levels, prolonged droughts and changes in precipitation patterns.
<b>Transition Risks- Type</b>	
Policy & Legal	The risk and financial impact associated with the new ESG regulations and disclosure requirements (e.g. cap - and -trade, carbon tax, fossil fuel taxes, CBAM climate disclosure requirements, climate - related litigation claims, etc.).
Reputation Risk	Reputation risk can arise from various sources, Stigmatization of a sector including Shifts in consumer preferences. The impact of reputational risk is usually immediate; it can also be severe and long-lasting.
Market Risk	Revenue and market share loss/gain due to changing consumer behaviour towards sustainable products and packaging alternatives.
Technology Risk	Costs associated with transition to lower emissions / clean energy technologies, unsuccessful investment in new technologies, stranded assets /technological obsolescence due to low emission transition measures and or stakeholder concerns.

We categorize assessed risks and opportunities based on different time horizons:

- Short-term Risks (0-3 years),
- Medium-term Risks (3-6 years)
- Long-term Risks (6 years and beyond).

### Risk Management

#### Identifying and Assessing Climate-related risks and opportunities

At Vardhman Textiles, we have adopted an all-encompassing strategy to evaluate and mitigate risks associated with climate change. This strategy focuses on risks that carry substantial financial or strategic consequences. To guarantee a thorough recognition of risks pertinent to our business activities and services, we consistently consult with all relevant stakeholders and leaders of our business divisions.

- To identify climate-related risks, we conduct assessments across our operational facilities as per ISO 14001 and prioritize significant risks. Cross-functional collaboration ensures comprehensive risk identification and assessment.

- We monitor regulatory changes at all levels, assessing their impact on our operations and strategic goals. Our system ensures compliance and anticipates shifts, while policy advocacy helps influence regulatory developments in support of our sustainability goals.
- We have embedded board level climate governance and a comprehensive strategy to assess and manage climate-related risks, prioritizing those with significant financial or strategic impacts

Link of detailed report- <https://www.vardhman.com/Document/ESG/Vardhman%20TCFD%20report%20Final.pdf>

## “GREENWEAVE” A SUSTAINABLE FUTURE: VARDHMAN’S COMMITMENT TO ESG EXCELLENCE

At Vardhman, we believe that sustainability is not just a corporate responsibility but a shared journey that involves every stakeholder, from our employees and suppliers to our customers and communities.

The 'GreenWeave' initiative is an ambitious sustainability program that demonstrates Vardhman Textiles' holistic strategy for improving ESG performance. To accelerate this journey, we have engaged with the **Manufacturer Climate Action Program (MCAP) to reduce our Scope 1 and Scope 2 emissions by 42% by 2030**. By transitioning to biofuels, we are paving the way for a greener, cleaner energy mix that aligns with our commitment to sustainability. Beyond energy transition, we are also prioritising water conservation and circularity, especially in our dyeing

processes. We are equally committed to strengthening our social and governance frameworks, recognising that a comprehensive ESG approach must encompass ethical business practices, community engagement and strong corporate governance.

We have made significant progress in digitalising our operations, adopting advanced tools and technologies that enhance transparency, efficiency and accountability across all our processes.

We remain committed to advancing our ESG goals, setting new benchmarks in the textile industry and creating long-term value for our stakeholders.



## VARDHMAN GREEN INNOVATIONS HIGHLIGHTS AT LUDHIANA'S 1<sup>ST</sup> SUSTAINABILITY SUMMIT

Vardhman participated in the first-ever Ludhiana Sustainability Summit, organised by the Chamber of Industrial & Commercial Undertakings (CICU), where Vardhman was **honoured by Honourable Sh. Himanshu Jain, IAS, Deputy Commissioner, Ludhiana**, for its outstanding contribution to sustainable manufacturing practices.

Vardhman showcased its integrated approach to sustainability, highlighting several key initiatives:

- **Renewable Energy Adoption**
- **Efficient Water Management Systems**
- **Sustainable Raw Material Sourcing**
- **ReNova – Recycled Yarn Production Unit**



## DRIVING SUSTAINABILITY THROUGH CONTINUOUS LEARNING:

At Vardhman, we believe that meaningful awareness at all levels is the first step towards action. That's why we're committed to continuously enhancing our team's understanding of Sustainability, ESG and Climate Action.

To keep everyone informed and inspired, we regularly share:

Sustainability Bulletins — covering updates on global trends, important global events, updated regulations and Company initiatives

These quick, focused updates empower our teams to make informed decisions and play an active role in building a greener, more responsible future together.

### “Sharing is Caring”

In this Year gone by, we have shared numerous EHS bulletins on important topics as listed below for everyone's consumption & knowledge enhancement.

**National Pollution Control Day**

**Prevention of Ozone Layer**

**World Mental Health Day**

**Mindfulness Session**

**World Water Day**

**Word Heart Day**

**Global Recycling Day**

**Cancer Prevention**

**Safety Practices in Material Handling Operations**

**Electrical Safety Awareness**

**Behaviour Based Safety**

**Safety Month**

**Let's keep learning. Let's keep leading!!!**



ENVIRONMENT



Renewable Energy Expansion

- **Expansion of Rooftop Solar Plant-** We are in the process of expanding our **rooftop solar energy capacity from 31 MWp to 70 MWp** across various units. This strategic initiative reflects our commitment to clean energy adoption and reducing our dependence on conventional, grid-based electricity. The increased solar capacity will enable us to meet a larger share of our energy requirements through renewable sources, contributing meaningfully to our decarbonisation goals. Once completed, this expansion is expected to significantly reduce our carbon footprint, aligning with our broader sustainability vision and long-term environmental objectives.
- **Biomass based Boilers-** In line with our green energy commitment, we are in the process of **replacing coal-fired boilers with three 80 TPH biomass boilers at our Madhya Pradesh unit.** Additionally, we are moving **forward with the establishment of a 105 TPH biomass boiler, based on paddy straw combustion, integrated with a turbine at our Baddi facility in Himachal Pradesh.** These initiatives aim to utilise locally sourced agricultural residues such as rice husk and paddy straw, thereby reducing our reliance on fossil fuels. This transition not only lowers greenhouse gas emissions but also promotes sustainable rural development by supporting the local agri-waste economy.



Bio-gas plants

At our two locations Vardhman Fabrics, Budhni and Auro Textiles, Baddi, Biogas plants have been installed with a **capacity of 120 kg/day** to produce in-house Biogas from organic waste which is used in house for cooking purpose.



Climate & Energy

At Vardhman Textiles, we are dedicated to minimising greenhouse gas (GHG) emissions and promoting a low-carbon future. Our efforts include strategic investments in clean energy, sustainable fuel alternatives, solar plant installations and transitioning towards more sustainable energy practices.

Climate Commitments

**Under Manufacturer Climate Action Program (MCAP),** we have set an ambitious target to reduce our **Scope 1 and Scope 2 emissions by 42% by 2030**, aligned with the **Science Aligned Target (SAT).**

The Long-term vision is achieving **net-zero emissions by 2045.**

### Natural Carbon Sequestration – Miyawaki Forest Initiative

Vardhman Textiles has developed a Miyawaki Forest on one-acre site in Baddi, Himachal Pradesh, by planting **11,000 saplings representing 51 native species**. The Miyawaki method promotes dense, fast-growing, multi-layered forests that replicate natural ecosystems. By using indigenous plant species, the initiative significantly enhances local biodiversity, offering habitat and food sources for a variety of birds, insects and micro-organisms. This biodiverse environment strengthens ecological



resilience, supports pollination, improves soil health and promotes natural regeneration. Additionally, the forest aids in CO<sub>2</sub> sequestration and air purification, contributing to climate change mitigation and long-term environmental sustainability.



### Waste Management

At Vardhman Textiles, waste management is central to our sustainability efforts. Guided by the **3R principle—Reduce, Reuse, Recycle**—we aim to minimise environmental impact across operations. We've set up dedicated facilities for handling hazardous waste, e-waste and scrap and partner with authorised recyclers for responsible disposal. By complying with all regulatory requirements, **we strive to cut landfill waste by 50% by 2030**, emphasising waste reduction and reuse.

#### Plastic Positive

We have achieved plastic positive status by **collecting and recycling 1,698 MT** of both pre-consumer and post-consumer plastic waste. This accomplishment not only surpasses our initial targets but also reinforces our commitment to circular waste practices and extended producer responsibility.

#### Brine Recovery System – Baddi

We are installing a Brine Recovery System at our Baddi facility to reclaim salt from wastewater streams. The recovered salt will be reused in the dyeing process, significantly reducing the generation of hazardous waste (particularly MEE salt) and cutting down on chemical procurement costs. This initiative is a strategic step toward both waste minimisation and resource efficiency.

### Water

To effectively manage water consumption and minimise environmental impact, Vardhman Textiles has established advanced Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) across its operations. We have implemented state-of-the-art **Zero Liquid Discharge (ZLD) systems with capacities of 8,400 KLD in Budhni, Madhya Pradesh and 2,000 KLD in Baddi, Himachal Pradesh**, enabling complete recycling and reuse of treated water. Further strengthening our water sustainability efforts, we are in the process of installing a **2,500 KLD ZLD system at our VSGM unit in Ludhiana, Punjab. With this addition, our total water reuse capacity will reach 12,900 KLD, helping reduce freshwater consumption by upto 30%**. These initiatives are aligned with our 2030 sustainability goals and commitment to responsible water stewardship.

<b>Zero Liquid Discharge (ZLD)</b>	<b>2</b>	<b>Capacity</b> <b>10,400 KLD</b>
<b>Sewerage Treatment Plants</b>	<b>9</b>	<b>Capacity</b> <b>5,195 KLD</b>
<b>Effluent Treatment Plants</b>	<b>3</b>	<b>Capacity</b> <b>15,000 KLD</b>



### Award for "Recycling Technology and Process Innovation"



### Award for "Sustainable Waste and resource management"



## Advancing Circular Economy Through Textile Waste Recycling

ReNova Plant (Capacity - 6 tonnes per day)

ReNova exemplifies our vision for a closed-loop manufacturing system with a capacity of 6 tonnes per day. ReNova transforms pre- and post-consumer textile waste into high-quality reusable fibers that are reintegrated into our production processes. This significantly reduces reliance on virgin raw materials, minimises waste generation and enhances overall resource efficiency.

We are contemplating expansion of our ReNova plant to a capacity of 11 tonnes per day



**Re Nova**  
Vardhman's Recycle Cotton Plant  
Revolutionizing Fashion with Innovative Sustainable Products

**Process Flow Chart**

- Step 1: Sorting Section
- Step 2: Cutting Section
- Step 3: Blending Section
- Step 4: Tearing Section
- Step 5: Bale Press Section

Final Fibre ReNova

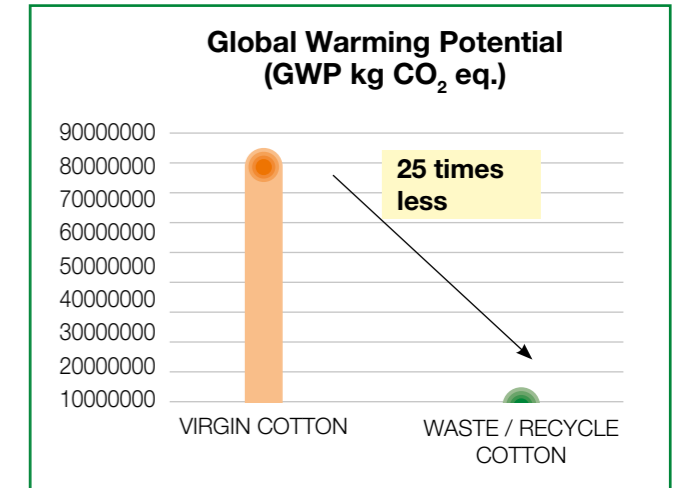
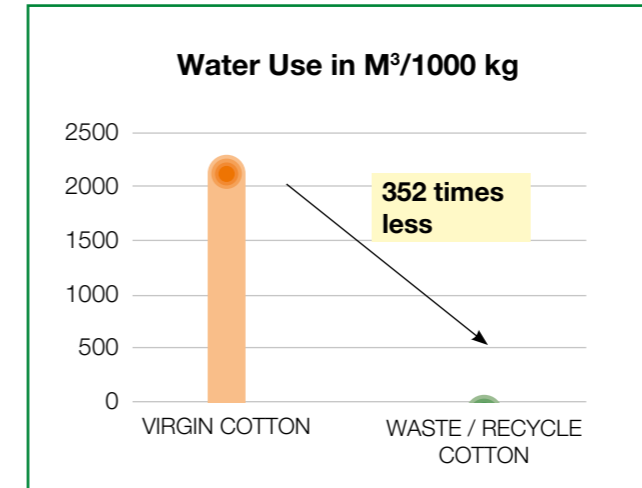
## Life Cycle Assessment of our recycled cotton product manufactured from ReNova Unit

Life Cycle Impact Assessment was conducted for the 'Cradle-to-Gate' life cycle of recycled cotton. The comparative analysis of yarn produced by Virgin Cotton and yarn produced by recycled cotton reveals that the Global Warming Potential of recycled yarn (produced from waste cotton) is **25 times less** than the yarn produced from Virgin Cotton. Water use for yarn produced from recycled waste cotton is **352 times less** than that produced from Virgin Cotton.

**1,089.3 MT**  
Total Cotton Recycled in FY 24-25

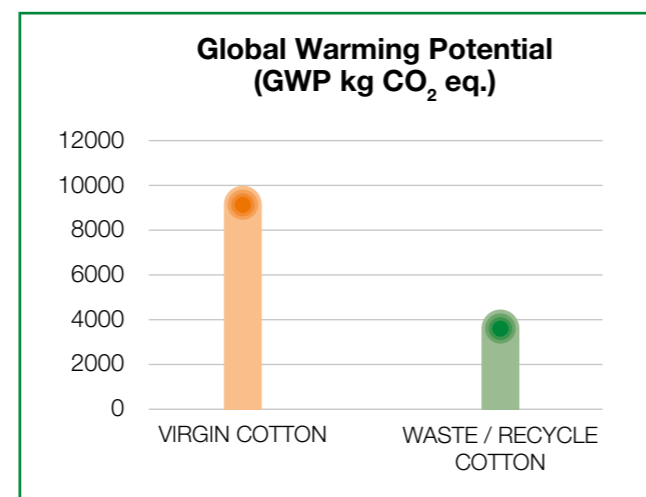
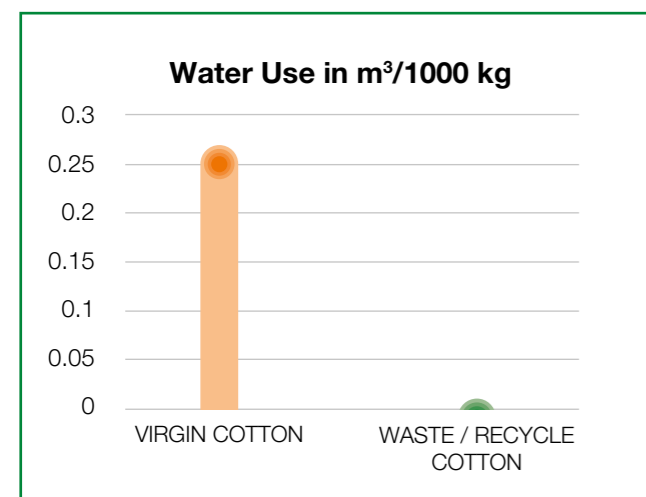
### Comparative analysis of Virgin cotton yarn & Recycle cotton yarn (overall)

IMPACT INDICATORS	VIRGIN COTTON	WASTE / RECYCLED COTTON
Water use in m <sup>3</sup> /1000kg	2288	6.5
Global warming Potential (GWP kg CO <sub>2</sub> eq)	84580951	3316421
Ozone layer depletion Potential (ODP kg CFC-11 eq)	0	0
Acidification Potential (AP kg SO <sub>2</sub> eq)	2582.82	0
Eutrophication Potential (EP kg PO <sub>4</sub> eq)	53605.74	2.00



**Comparative analysis of Virgin cotton yarn & Recycle cotton yarn per ton of yarn produced.**

IMPACT INDICATORS	Virgin cotton (per ton of product)	Recycle /Waste cotton (per ton of product)
Water use in m <sup>3</sup> /1000kg	0.27	0.01
Global warming Potential (GWP kg CO <sub>2</sub> eq)	9940	4386
Ozone layer depletion Potential (ODP kg CFC-11 eq)	0	0
Acidification Potential (AP kg SO <sub>2</sub> eq)	0.30	0.00
Eutrophication Potential (EP kg PO <sub>4</sub> eq)	6.30	0.00



**Sustainable Sourcing**

At Vardhman, our commitment to sustainability and ethical practices is reflected through a diverse range of green certifications, including Regen Agri, GOTS, GRS, Oeko-TEX, Organic, OCS, **Recycled Polyester Fiber, CMI, BCI, Fairtrade and FSC**. These certifications underscore our dedication to responsible sourcing and environmental stewardship.

In FY 2024-2025, approximately **36% of our raw materials (cotton and manmade fibers) were sustainably sourced.**

We also prioritise environmental safety in our manufacturing processes, with **97% of dyes and chemicals complying with the ZDHC MRSL standards, ensuring reduced ecological impact and enhanced safety.**

**91% of packaging materials come from sustainable sources**, with a focus on paper-based solutions such as cartons, separators, paper tubes and cones made entirely from recycled content or agro-waste. For polymer-based packaging, including HMLD bags, stretch films and BOPP tapes, we procure exclusively from vendors certified under the Extended Producer Responsibility (EPR) framework, reinforcing accountability across the value chain.



**Supplier Code of Conduct Policy**  
 We have an inclusive Supplier Code of Conduct Policy which is applicable to all the suppliers / business partners with whom we deal locally and internationally. This policy reinforces our commitment to follow ethical business practices, monitor our supply chain for the implementation of fair, labour friendly unbiased sustainable practices, further minimizing the environmental impact and adhering to relevant applicable Legal & other Requirements.

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Supplier\\_Code\\_of\\_Conduct\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Supplier_Code_of_Conduct_Policy.pdf)

**Sustainable Sourcing Policy**  
 This policy's objective is to ensure that all materials including cotton, man-made fibers & other natural fibers etc. procured by the Company are aligned with responsible sourcing principles, sustainability standards and ethical procurement guidelines. One of our primary goals is to prioritize environmental sustainability not only within our manufacturing facilities but also across the entire supply chain.

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Sustainable\\_Sourcing\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Sustainable_Sourcing_Policy.pdf)

We are committed to ensuring that all sourcing practices support the broader goals of environmental stewardship, fair labour and community well-being. This approach applies to full spectrum of our supply chain, from raw material producers to intermediaries, ensuring a seamless approach to responsible sourcing throughout the organization. Our ultimate goal is to align with global best practices in sustainability, with the understanding that responsible sourcing is an ongoing process that evolves as new technologies, methodologies, standards and applies to both lint cotton, other natural fibers, man-made fibers, etc. Our objective is to ensure that all materials procured by us are sourced as per responsible sourcing principles, sustainability standards and in an ethical manner.

We recognize that sustainability extends beyond our immediate operations and must be addressed holistically. As part of our long-term vision, we are committed to increasing the share of sustainable raw materials in our overall portfolio each year to meet our sustainability goals. Aligning with its ESG commitments, Vardhman prefers to source from suppliers who are certified as under various sustainable standards and Eco labels, ensuring reduced environmental footprint, enhanced biodiversity and minimal ecosystem impacts.

**Our Sustainable Raw Material**

- Organic Cotton** – Organic cotton is produced using farming methods that promote biodiversity, regenerate soil health and completely restrict the use of synthetic fertilizers and pesticides. Organic cotton is not only better for the environment but also benefits farmers by providing access to premium markets. In organic cotton production, only non-GMO seeds are used.
- Better Cotton** – Better Cotton aims to make cotton production more sustainable by promoting water efficiency, reducing pesticide use and enhancing the livelihoods of cotton farmers
- Regenerative Cotton** – Produced using regenerative agricultural techniques, which help restore ecosystems, improve soil health and increase biodiversity. Regenerative cotton is a key part of our strategy to create positive environmental impacts beyond reducing harm.
- Recycled Cotton Fiber** – Recycled cotton reduces the demand for virgin cotton, limits textile waste and conserves water and energy. Going forward, we will incorporate post-consumer cotton waste for recycled cotton production. Utilizing recycled cotton fibers not only

promotes sustainability but also helps address the issue of cotton waste in landfills.

- Fairtrade Cotton** – Fairtrade-certified cotton ensures that farmers receive fair wages and adhere to rigorous social, economic and environmental standards. This approach not only helps farmers but also contributes to the overall sustainability of the cotton supply chain.
- CMIA Cotton** – A sustainable cotton initiative that aims to improve the livelihoods of African smallholder cotton farmers while promoting environmental and social standards in cotton cultivation.
- Recycled Polyester**- Polyester made from recycled plastic materials, such as used PET bottles, textile waste, post-consumer waste, or other polyester products. It helps to reduce the need for petroleum-based raw materials, minimizes waste and contributes to a circular economy in the textile industry.
- Man-made fibers such as Bamboo, Ecovera, Ecoliva, etc.**

**Traceability and Transparency**

Achieving full traceability and transparency throughout our supply chain is a fundamental goal. Now, consumers, as well as our downstream partners, expect full visibility into the origin and production processes of the materials we source.

In response to these expectations, we are committed to collaborating closely with our suppliers to provide the necessary transparency and traceability within their operations. Through our material management systems and supplier engagements, we have procedures that all raw materials can be traced back to their origin.

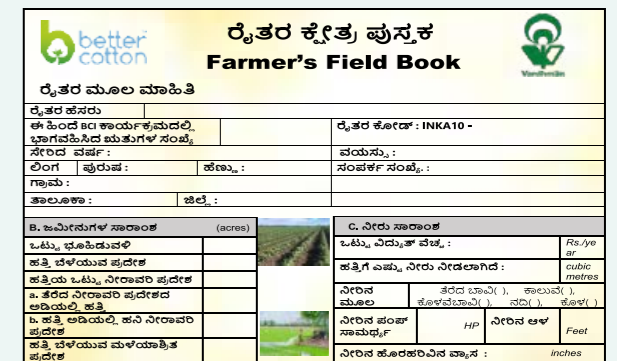
This level of traceability not only allows us to verify the sustainability and ethical standards of the materials we use but also helps us build trust with our stakeholders.

**Community Engagement and Farmer Capacity Building – Our Positive Impact on community & Biodiversity**

Status of BCI Project	
Status	2024-25
No. of Villages	101
No. of Farmers	12119
Area (Hectares)	18148

**Farmer field book and best cotton practices book-**

A comprehensive Farmer field book and best practices in cotton cultivation has been developed to support the farmers in adopting improved & sustainable agricultural techniques. It includes guidance on land preparation, seed selection, sowing methods, pest management, appropriate water usage & post-harvesting practices.





### Training of Farmers-

Integrated Nutrient Management training imparted to farmers which includes 4R(Right source, Right Rate, Right time, Right place) Nutrient Stewardship approach of fertilizer application, Nutrient deficiency with symptoms and its recommendation, Fertigation method, Importance of foliar sprays and Micronutrients, Hazards of applying Nutrients when applied more than requirement.

We have trained farmers on various method of pest control such as Cultural, biological methods. Demonstration on Trap crop, Neem oil application, preparation of Jeevamrutha and Dashparani, Preparation of Foodspray, Using of Pheromone traps, Awareness on HHP's and Cocktail, Identification of Beneficial insects and its protection ,Awareness on Right dose and Colour label is done.



### Livelihood and Skill Development programme for Women –

We run Livelihood and Skill Development programme for women at Chachadi Village in collaboration with Women Welfare Society, Belagavi where we have trained women on craft making, Pickle making with various ingredients. Also trained women on marketing ideas like promotion through online websites.



### EHS Policy

Vardhman Textiles Limited is fully committed to promote & ensure continual improvement in our Environmental, Health & Safety Performance. We are more focused on energy efficiency, water conservation and waste reduction. At the same time, we are providing a safe and healthy workplace for all our employees (permanent and contractual/outourced), contractors, visitors and other stakeholders. We will develop a culture of zero incidents and zero harm by preventing injuries and illnesses and promoting healthy lifestyles so that we can achieve our business objectives.

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/EHS\\_POLICY.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/EHS_POLICY.pdf)

### ISO 14001: 2015 Certified

ISO 14001:2015 - Our manufacturing units are ISO 14001:2015 certified which helps to manage our environmental responsibilities and enhance their environmental performance.

**Our alignment, commitment & certification to the ISO 14001:2015 standard helps us to:**

- Demonstrate compliance with current and future statutory and regulatory requirements
- Increase employee engagement at all levels
- Improve company's reputation and the confidence of all stakeholders through strategic communication
- Achieve strategic business aims by incorporating environmental issues into business management
- Provide a competitive and financial advantage through improved efficiencies of operations

<https://www.vardhman.com/AboutUs/Certifications>



**Higg FEM and FSLM Certified** - As a responsible corporate, we ensure that our plants & processes are aligned to the highest levels of Sustainable Governance. Our plants are HIGG FEM and FSLM Certified which is a sustainability assessment tool used by facilities to measure and evaluate their environmental & social performance. The tool helps Vardhman understand it's environmental impacts, assessment of social factors, worker welfare & treatment, identify areas for improvement, track progress and improve over time.



**Biodiversity**

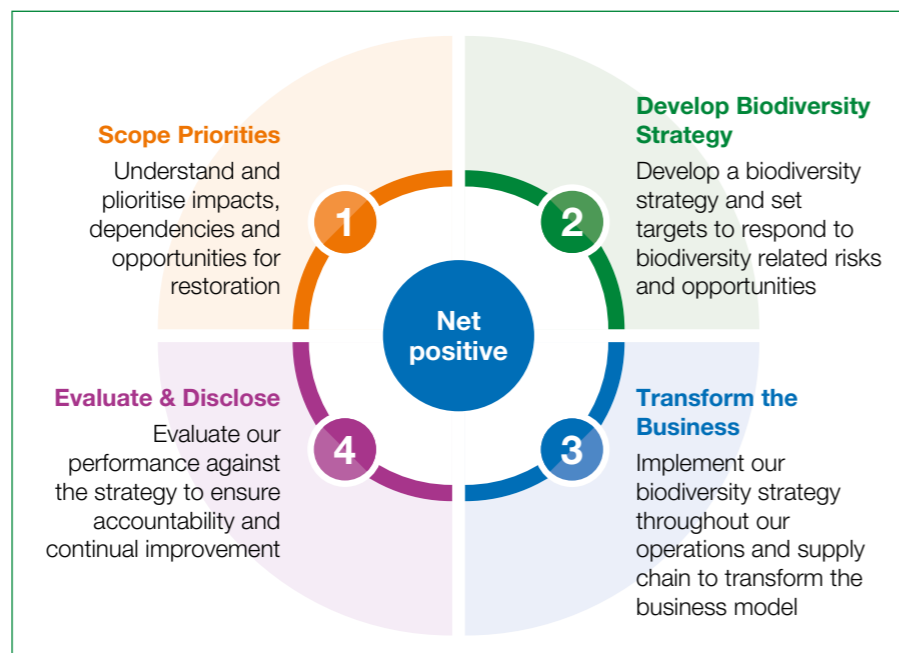
**Biodiversity Risk Assessment**

Biodiversity risk assessment is conducted by using the IBAT (Integrated Biodiversity Assessment Tool) for all the operating facilities, covering both operational areas and the upstream supply chain.

**Targets & Commitments-**

Committed to Net Positive Impact by 2050.

**Vardhman's Approach in conserving Biodiversity**



We follow the PDCA approach for our Biodiversity Management. As part of our commitment to biodiversity conservation and ecosystem restoration, we have planned large-scale plantation activities to restore degraded land and enhance green cover. Key initiatives include:

- Plantation drives with in our premises.- Total number 7,000+ trees planted during FY 24-25.
- Miyawaki Plantation done at Baddi location whereby 11,000 saplings have been planted.

- Vardhman Textiles Ltd. celebrates events such as World Environment Day and Van Mahotsav with full fervour, to raise awareness among employees and the community.
- Regular capacity-building programs have been organized to educate employees and stakeholders on biodiversity conservation issues, promoting best practices and fostering a culture of environmental stewardship within the organization.

**Link to detailed Report-**

[https://www.vardhman.com/Document/ESG/VTxL\\_Biodiveristy%20Risk%20Assessment.pdf](https://www.vardhman.com/Document/ESG/VTxL_Biodiveristy%20Risk%20Assessment.pdf)



Biodiversity Protection and No Deforestation Policy - Vardhman is committed to the cause of conservation of biodiversity and the sustainable management of natural resources. This framework prioritizes actions to avoid, minimize and wherever necessary, rehabilitate or restore biodiversity values impacted by our activities. The Environment, Social & Governance (ESG) Committee of the Board governs the Biodiversity Protection and No Deforestation Policy.

Link of Biodiversity Protection and No Deforestation Policy - [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Biodiversity\\_Protection\\_and\\_No\\_Deforestation\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Biodiversity_Protection_and_No_Deforestation_Policy.pdf)



SOCIAL



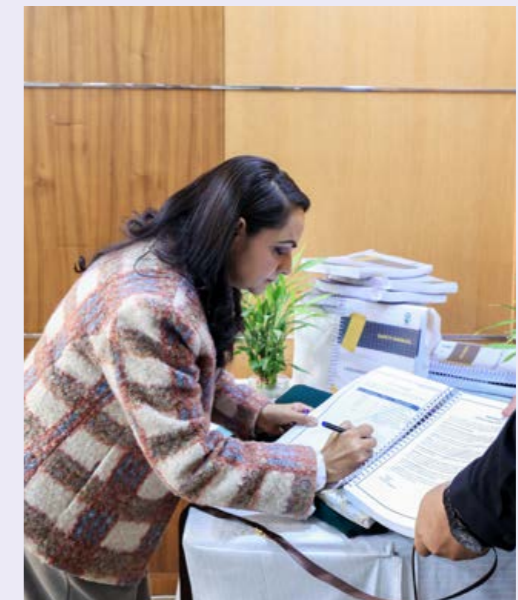
Launch of Vardhman Safety Manual

As a part of our ongoing commitment to workplace safety and operational excellence, we have standardised Safe Operating Procedures for all routine and non-routine activities and integrated them into the Vardhman Safety Manual. This comprehensive manual serves as a vital tool to ensure a safe, productive and hazard-free environment across all locations. It encompasses key elements such as workplace safety essentials, legal compliance, accident prevention strategies, emergency preparedness, clear roles and responsibilities and health and well-being practices. The launch of this manual reinforces our structured approach to Environment, Health & Safety (EHS) and strengthens our pursuit of a Zero Harm culture throughout the organisation.



Health & Safety

Our manufacturing units are **ISO 45001: 2018 (Occupational Health & Safety Management System) certified**, demonstrating our commitment to health and safety. The company has developed a comprehensive approach to identifying work-related hazards and assessing risks through the Hazard Identification and Risk Assessment (HIRA) process.



### Implementation of Behaviour-Based Safety (BBS) Across Vardhman Units

Vardhman has adopted the Behaviour-Based Safety (BBS) methodology for addressing workplace Safety across all its locations in FY 24-25. The initiative began in June 2024 at our Fabric Division in Baddi and was successfully extended groupwide by November 2024. Renowned safety expert Dr. H. L. Kaila, also known as Dr. BBS, led engaging workshops under the mission “Bharat Bane Surakshit”, with strong participation from top leadership to shopfloor teams. These sessions reinforced the importance of proactive safety behaviour and accountability.

Post-training, Vardhman adopted the 6C framework — **Capture, Connect, Care, Correct, Converse, Conclude** — to drive our journey toward an interdependent safety culture. The adoption of this approach was acknowledged & addressed by top management personnel during the complete BBS journey groupwide.



### Innovative Training through Audio Visual Aids Animated Module on Visitor Safety

We have enhanced the effectiveness of our Communication & Training through Audio Visual Aids. Training of our visitors at the units is conducted using a Visitor Safety Standardised Animated Module. This has helped convey Important topics like Our Process Overview, Safety Systems prevalent at our premises, conveying to them the restrictions inside the premises & Emergency Response Procedures among other key aspects.



### Animated Module on Contractor Safety

For effective Training through of our Permanent & Contractual Workers, we have developed another Animated Module for routine & non routine activity Safety. This has helped standardise the Safety induction process & the toolbox talk training content also across all our locations. Key topics covered include:

- Work Permit System
- Electrical Safety
- Firefighting Procedures
- First Aid Protocols
- Emergency Response
- Road Safety
- Chemical Safety
- Importance of PPE

Glimpse of the Module



This initiative marks a significant step forward in our commitment to creating a Zero Harm workplace culture through innovative, inclusive and accessible safety training.

### Corporate Award for Excellence in Occupational Safety & Health Practices for our approach towards a Zero Harm Interdependent Safety Culture



This recognition, jointly presented by the Forum of Behavioural Safety "BESAFE", the National Safety Council of India and IIM Mumbai, celebrates our commitment to fostering a Zero Harm Interdependent Safety Culture. Director General – National Safety Council of India Dr. Lalit R Gabhane presented us with this felicitation.

### Internal Auditor Certified Course on ISO 14001:2015 (Environment Management System) & ISO 45001:2018 (Occupational Health & Safety Management System)

Focusing upon the overall development & upskilling of our teams on important topics, we ensure that our Unit teams remain updated upon the Environment, Health, Safety & Sustainability Front. Internal Auditor Certified Course on ISO 14001:2015 (Environment Management System) & ISO 45001:2018 (Occupational Health & Safety Management System) was conducted for our employees across all locations. Major focus is laid on learning of critical aspects like Climate Change, Risk Assessment and Mitigation, Geared Approach of Management Systems to engage all 3 Gears namely PDCA, Process Control & Risk Based Thinking & Life Cycle Perspective, Determining the environmental aspects of our activities, products and services that we control considering Life cycle perspective. Learning & Implementing Hierarchy of Control.



### Safety Month Celebration

The management at Vardhman believes strongly that "Safety is not a choice, it's a Responsibility that we owe to Ourselves & our Colleagues". Throughout the month, we engaged in various activities, training sessions and awareness programs that reinforced our commitment to maintaining a safe and secure workplace. Safety Pledge was also undertaken at all locations. Following are some of the glimpses :



### Promoting a Safe and Healthy Workplace

To support employee well-being and create a healthier work environment, we regularly organise Health Checkup Camps and Wellness Sessions, including:

- General Health Checkups
- Dental Screening Camps
- Eye checkup camps
- Interactive Health Sessions
- Wellness Sessions

### Session Glimpses on the topic of Cancer Prevention



### Dental Health Check-Up glimpses



### Eye Check-Up Glimpses



### Glimpses of Zumba Session on World Heart Day



### Glimpses of Routine General Health check-ups – BP, Sugar, BMI



### Pragati Project

The enhancement of the Performance Management System (PMS) module on the System, aims to streamline and optimise the way employee performance is measured and aligned with organisational goals. By integrating Organisational specific Core Competencies, Level specific Behavioural Competencies & Role specific Functional Competencies along with measurable KPIs, the system will ensure more accurate and objective performance evaluations. These improvements will include customisable dashboards, real-time tracking of progress and data-driven insights to support decision-making. The inclusion of SMART goals and continuous feedback mechanisms will foster a culture of growth and accountability.

### Alumni Connect

At Vardhman Textiles, we believe that the connections built during one's professional journey with us are lasting and meaningful. To celebrate and nurture these relationships, we have launched the Alumni Connect Dashboard—a dedicated platform designed to bring together our former employees into a vibrant and engaged community.

This initiative aims to foster enduring connections, facilitate professional networking and showcase inspiring alumni stories through the Alumni Spotlight feature. More than just a portal, Alumni Connect serves as a bridge that reinforces a shared sense of pride, belonging and continued engagement with the Vardhman family.

By creating this dynamic alumni network, we are not only honouring the contributions of our past employees but also enriching the collective spirit of the organisation.



### Assessment & Development Centre, Flagship Programme (Domain – Learning & Development)

Vardhman is committed to nurturing its workforce and aims to align individual growth aspirations with tailored career pathways. The company has been successfully conducting its hallmark program, known as "MLP (Management Leadership Plus)," now rebranded as "V-CORE (Vardhman Competency Readiness Program)", "GSO (General Shift Officer)" Assessment for tenured shift officers and "ACE (Assessment for Career Enhancement)" for over a decade. Through a comprehensive suite of evaluation tools—including aptitude and domain knowledge tests, psychometric assessments, collaborative tasks, group discussions, behavioural interviews and role-playing scenarios—we measure both behavioural and functional competencies. Each assessment is overseen by a pair of panellists, one of whom is a specialist in the relevant subject matter. These activities are crafted to mirror the complexities of the professional environment, enabling us to spot those who are poised to thrive in these pivotal roles. By identifying personal strengths and areas for growth, we guide participants toward crafting a career path that is in harmony with the Company's objectives.

### Driving Digital Transformation across HR and Administration

As part of our ongoing commitment to sustainability, digital transformation and operational efficiency, the organisation has significantly reduced the use of physical paper across key HR and administrative functions. Manual gate pass systems have been fully eliminated at the Corporate Office and Vardhman Spg. & Gen. Mills, with implementation in progress at other units viz. Arihant Spg. Mills, Vardhman Fabrics, Vardhman Yarns and Anant Spg. Mills. The issuance of transfer, probation and confirmation letters has been fully digitised at the Corporate Office, with this initiative now being rolled out across all units. Additionally, the exit interview process has been digitised, enabling departing employees to provide structured feedback through an online platform, enhancing both efficiency and data-driven insights. These initiatives collectively support our drive toward a paperless, transparent and employee-centric work environment.

# Corporate Social Responsibility

At Vardhman Textiles, we take pride in our role as a responsible corporate citizen, committed to making a meaningful contribution to the society. With a steadfast commitment to sustainable development, we aim to create a positive and enduring impact on people's lives.

We are dedicated to enhancing the well-being of marginalised communities by improving access to quality education, healthcare facilities, safe and hygienic living conditions. This commitment drives our ongoing efforts to enhance the infrastructure of schools, hospitals and villages surrounding our manufacturing units.

### Our focus areas encompass:

- Education: Empowering future generations through quality education initiatives.
- Healthcare: Ensuring access to essential healthcare services for underserved communities.
- Environment: Implementing sustainable practices to minimise our ecological footprint.
- Rural Development: Supporting the development and prosperity of rural areas.
- Sports, Arts & Culture: Promoting holistic development and cultural enrichment.

Through these initiatives, we strive to foster sustainable progress and upliftment, embodying our dedication to creating a better tomorrow for all.

## Education as a Means to True Empowerment

Education serves as a powerful tool for empowerment, offering a pathway to enhanced employment opportunities and improved living standards. It plays a crucial role in uplifting socio-economic conditions and paving the way for a brighter future. Through quality education, individuals can not only transform their own destinies but also contribute to the reshaping of society positively.

### Vardhman School Development Program (VSDP)

To support underprivileged children's education, Vardhman initiated the Vardhman School Development Program (VSDP). This program focuses on enhancing infrastructure in government schools, including the construction of classrooms, toilet blocks and computer labs. Additionally, VSDP provides essential amenities such as furniture, water coolers, purifiers and digital devices, creating a conducive learning environment.

### 1 Financial Support to Panjab University for the SATHI (Sophisticated Analytical and Technical Help Institute) Program

Vardhman Group has generously contributed ₹1 crore to the Panjab University, Chandigarh, for the SATHI (Sophisticated Analytical and Technical Help Institute) program.

This strategic partnership aims to foster research, promote innovation and enhance access to cutting-edge scientific infrastructure for both academic institutions and industrial stakeholders. By supporting the SATHI initiative, Vardhman is reinforcing its dedication to advancing science, technology and education.



Financial support of ₹1 crore provided for the SATHI program.

### 2 Financial support to the Institute in Post-Harvest Management, Processing and Engineering of Agricultural Produce (ICAR-CIPHET), Ludhiana, Punjab

Vardhman Textiles is excited to partner with ICAR-Central Institute of Post-Harvest Engineering & Technology (CIPHET), Ludhiana, to launch an awareness program focused on reducing food waste. This initiative aims to highlight the importance of food waste reduction and equip participants with actionable knowledge to address this critical issue. By involving key stakeholders such as farmers, educational institutions, community kitchens and food business operators, we are cultivating a culture of sustainability in our community.

### 3 Construction Project at Government Primary School, Lohara, Ludhiana

Progress continues on Vardhman's initiative to build 20 classrooms and a toilet block for girls and boys at Government Primary School, Lohara, Ludhiana. The total project cost for this endeavour amounts to ₹480 lac. Under the Vardhman School Development Program (VSDP), the Foundation Laying Ceremony of the Govt. Primary School, Lohara, Ludhiana was laid. This transformative initiative was graced by MLA Ludhiana (South), Mrs. Rajinderpal Kaur Chhina, alongside Mr. Neeraj Jain, Joint Managing Director, Vardhman Textiles Limited.



Foundation laying ceremony at Govt. Primary School, Lohara

### 4 Construction of Well-Furnished Anganwadi Bhawan at Talpura, Budhni

A well-furnished Anganwadi Bhawan has been constructed at Talpura, Budhni, to strengthen early childhood care and development services in the area. This dedicated facility is designed to provide a safe, child-friendly and nurturing environment for young children. Equipped with essential amenities and furniture, the new Anganwadi Bhawan will significantly enhance the delivery of integrated child development services (ICDS), benefiting both children and mothers in the local community.

### 5 Government Primary School, Mandheri, Mandideep, Madhya Pradesh

This infrastructure development initiative, which is underway, includes the construction of two much-needed classrooms to accommodate the increasing student population. Additionally, an Anganwadi Bhawan work is under progress. This will provide essential early childhood education services, aiming to foster educational development from a young age. To enhance sanitation facilities, a new toilet facility will also be constructed, ensuring better hygiene standards for both students and staff. The estimated cost for these initiatives amounts to ₹54.00 lac.



Construction of Government Primary School, Mandheri, Mandideep District, Raisen, M.P.



Construction of Well-Furnished Anganwadi Bhawan at Talpura, Budhni

**6 Government High School, Tilendi, District Raisen, Madhya Pradesh**

This school infrastructure includes the development of four new classrooms. The initiative aims to address the increasing demand for educational spaces in the area by accommodating a larger number of students and enhancing the overall learning environment. In addition to the classrooms, a new toilet facility is also being constructed to improve sanitation and hygiene standards for students and staff. The total estimated cost for this project is ₹70.70 lac.



Construction of Government High School, Tilendi District Raisen, M.P.

**7 Financial Assistance for Renovation of Classrooms at Arya Senior Secondary School, Ludhiana.**

Financial assistance of ₹50 lac has been provided for the renovation of classrooms at Arya Senior Secondary School, located at Old Sabzi Mandi, Ludhiana. This support aims to upgrade the school's existing infrastructure to ensure a safer and more effective learning environment for students. The renovation work includes improvements to flooring, lighting, ventilation and classroom furnishings, contributing to a more comfortable and modern educational setting.



Providing financial assistance for renovation of classrooms at Arya Senior Secondary School, Ludhiana

**8 Organisation of Early Literacy Programme ('OELP')**

Vardhman had provided financial contribution to 'OELP' which is setting up Mohallah Learning Centres. These learning centres have been transitioned to government schools, ensuring continuity in education with enhanced safety measures like masks and sanitisers.

Focused on theme-based projects, OELP engaged children in villages across Ajmer, Rajasthan. Educational interventions targeted foundational learning for classes 1 and 2, yielding significant progress in literacy and numeracy skills through tailored assessments and structured programs. The initiative also facilitated community engagement, reaching out to over 2000 children through reading programs and distributing thousands of storybooks.

Additionally, OELP prioritised capacity building for its field team, conducting training sessions and leveraging technology for effective outreach and parental involvement. These efforts underscore OELP's commitment to overcome educational disruptions and foster holistic development in rural communities.



Students learning at Mohallah Learning Centres under OELP

**9 Other CSR Initiatives**

Vardhman's commitment to community welfare extends across various initiatives aimed at improving educational and infrastructural facilities in several states.

**9.1 Provided Single Desk Benches to Government School**

In a bid to enhance seating comfort and learning environment, Vardhman has provided single desk benches in schools across Punjab, Himachal Pradesh and Madhya Pradesh.



Provided Single Desk Benches to Government School, Budhni

**9.2 Safe Drinking Water Facilities**

Vardhman is installing water coolers and RO systems in Government schools across Punjab, Madhya Pradesh and Himachal Pradesh, ensuring access to safe drinking water for students.

**9.3 Construction Project at Govt. Girls High School, Narmadapuram**

Progress continues on Vardhman's initiative to build 14 classrooms and a toilet block for girls at Government High School, Narmadapuram, Budhni. The total project cost for this endeavour amounts to ₹2.70 crore.

**9.4 MOU with Sri Aurobindo Ashram, Puducherry**

Vardhman has entered into an MOU to provide financial support of ₹3.50 crore for the construction and Renovation of Library.

**Key Highlights (Cumulative)**

<b>Students benefited:</b>	<b>Student desks provided:</b>	<b>Classrooms constructed:</b>	
90,024	5,335	299	
<b>Anganwadi's supported:</b>	<b>Toilet blocks constructed:</b>	<b>Computer systems provided</b>	<b>States covered:</b>
309	115	1,139	Punjab, MP, HP, Rajasthan, Maharashtra, Odisha, Puducherry

## Health Care

Ensuring access to healthcare facilities is a critical aspect of improving quality of life, especially in underserved areas where medical infrastructure may be lacking. Recognising this need, Vardhman Group has been actively involved in enhancing healthcare capabilities near its manufacturing units. The focus has been on supporting hospitals, particularly government and charitable institutions, with advanced medical equipment and financial aid aimed at benefiting economically disadvantaged patients.

### Project NANDINI

Project NANDINI is dedicated to educating and empowering adolescent girls from underprivileged backgrounds about Menstrual Hygiene Management (MHM). The project recognises the critical importance of providing comprehensive education on menstrual health, addressing the biological changes girls undergo and equipping them with the knowledge and resources to manage their periods effectively.

23,500 girls from economically disadvantaged families in Baddi, Himachal Pradesh were benefitted during the year under the Project NANDINI. Here, the project has achieved a commendable 90% success rate in promoting healthy MHM practices among adolescent girls. This expansion has been crucial in bridging the gap in awareness and education related to menstrual hygiene in communities where such information is often limited.

In Budhni & Mandideep, Madhya Pradesh, Project NANDINI has further extended its impact to benefit 12,500 girls and rural women by providing them with sanitary napkins and necessary knowledge material to manage their menstrual health effectively. The project includes various initiatives such as awareness sessions conducted to dispel myths and misconceptions surrounding menstruation, distribution of sanitary pads, installation of sanitary napkin vending machines and incinerators for safe disposal of used sanitary products.

Additionally, Project NANDINI organises community events like **Gyan Vigyan Mela**, which serve as a platform for education and health promotion among villagers. These events not only provide crucial information on menstrual hygiene but also address broader health and educational needs of the community.

As part of Project NANDINI, we organised a learning and sharing event where adolescent groups presented their perspectives through role-plays, depicting real-life challenges they faced before joining the project. Following their involvement in NANDINI, significant improvements were observed. The event brought together community members, adolescents, school teachers and Frontline Workers (FLWs) who shared their insights and experiences. Discussions highlighted how the NANDINI team conducted door-to-door surveys, mobilised communities and dispelled myths and misconceptions about menstrual hygiene. Participants expressed their gratitude for the learning opportunities and their commitment to contributing to society voluntarily.

### Key Highlights (Cumulative):

#### Beneficiaries:

88,420

adolescent girls have benefited from the project.

#### Education & Health Fairs:

40

such events have been organised to facilitate education and health awareness among communities.



Organised Learning & Sharing event under Project NANDINI at Baddi



Organised awareness session on MHM in villages and Govt. schools of H.P. & M.P.



### 1 Organised Blood Donation Camp:

Blood donation camps were organised by the Company. The blood donation camp, in collaboration with 'Rehras Sewa Society', saw enthusiastic participation from 791 donors across Punjab, Himachal Pradesh and Madhya Pradesh.



Organised Blood Donation Camp in Ludhiana, Punjab

### 2 Inauguration of the Bone Marrow Transplant (BMT) Ward at Christian Medical College & Hospital, Ludhiana

The Bone Marrow Transplant (BMT) Ward at Christian Medical College and Hospital (CMCH), Ludhiana, has been formally inaugurated, marking a significant advancement in the region's healthcare infrastructure. This specialised facility is equipped to provide life-saving treatment for patients suffering from blood-related disorders such as leukaemia, lymphoma and aplastic anaemia. The establishment of the BMT ward reflects a major step forward in offering advanced medical care locally, reducing the need for patients to travel long distances for such critical procedures. The ward is designed with state-of-the-art equipment and infection-controlled environment to ensure safe and effective treatment outcome.



### 3 Organised Artificial Limbs Distribution Camps:

Artificial limbs distribution camps were organized by the Company. This initiative not only enhances the mobility and independence of recipients but also promotes inclusivity and dignity within the community. A total of 47 individuals across MP, PB and HP benefited from this program, significantly improving their quality of life and enabling them to lead more fulfilling lives.



Organised Artificial Limbs Distribution Camp in Ludhiana, Punjab



Inauguration of the Bone Marrow Transplant (BMT) Ward at Christian Medical College & Hospital, Ludhiana, by Mr. S.P. Oswal, CMD.

**4 Provided Dental Chair to the Government Civil Hospital, Malerkotla**

To enhance dental care services and improve patient treatment facilities, a dental chair has been provided to the Government Civil Hospital, Malerkotla. This addition aims to strengthen the hospital's dental department by enabling better diagnosis, treatment and overall patient comfort. With improved infrastructure, the hospital is now better equipped to cater to the growing dental health needs of the local population, ensuring timely and effective oral healthcare services.



Provided Dental Chair to the Government Civil Hospital, Malerkotla

**5 Provided two E-tricycle and one Daisy Player for differently-abled individuals at Panjab University, Chandigarh**

Vardhman provided two E-tricycles and one Daisy Player to support differently-abled individuals at Panjab University, Chandigarh. This initiative aims to enhance mobility and promote educational inclusivity for students with disabilities. The E-tricycles will assist in improving their independent movement within the campus, while the Daisy Player, a specialised device designed for visually impaired individuals, will facilitate access to academic content through audio formats. This contribution reflects our commitment to fostering an inclusive environment and empowering differently-abled individuals to pursue their educational aspirations with greater ease and confidence.



Provided two E-tricycle and one Daisy Player for differently-abled individuals at Panjab University, Chandigarh

**6 Provided an Ambulance to 'Rehras Sewa Society' Ludhiana**

Vardhman provided an ambulance to 'Rehras Sewa Society', Ludhiana, to strengthen their healthcare outreach, emergency response services and blood donation initiatives. This support will enable the society to offer timely medical assistance and transportation to patients, especially from underprivileged sections of society and also facilitate the movement of blood donors and blood units during critical situations. By improving access to emergency healthcare and supporting life-saving blood donation drives, this initiative underscores Vardhman's commitment to community welfare and its dedicated efforts to enhance public health services in the region.



Provided an Ambulance to Rehras Sewa Society Ludhiana

**7 Provided an Ambulance to Indian Red Cross Society, Himachal Pradesh.**

Vardhman has provided an ambulance to the Indian Red Cross Society, which was formally handed over by the Hon'ble Chief Minister of Himachal Pradesh. This initiative aims to strengthen emergency medical services and facilitate timely healthcare support for patients across the region. The ambulance will play a crucial role in transporting patients, especially from remote and underserved areas, ensuring they receive prompt medical attention. This contribution highlights Vardhman's commitment to community health and its dedication to partnering with government and charitable institutions to improve public healthcare infrastructure and save lives.



Provided an ambulance to Indian Red Cross Society, by the Hon'ble Chief Minister, Himachal Pradesh.

### 8 Inauguration of Various medical equipment at Govt. Civil Hospital, Budhni

Vardhman Group has facilitated the inauguration of various medical equipment at the Government Civil Hospital, Budhni. This initiative aims to upgrade the hospital's infrastructure and enhance the quality of healthcare services provided to the local community. The newly installed equipments will support better diagnosis, treatment and patient care, ensuring a more comfortable and efficient healthcare environment.



Inauguration of various medical equipment at Govt. Civil Hospital, Budhni (Dist. Sehore) by Shri Ramakant Bhargav (MLA)

### 9 Organising Health Check-up Camps across HP, MP and PB Location

Vardhman Group organised Health Check-up Camps in rural areas across Punjab, Himachal Pradesh and Madhya Pradesh during the year. These camps provided essential healthcare services directly to villagers who often lack access to regular medical check-ups and eye check-ups.



Organised health check-up camp in Mandideep & Baddi

## Environment

### Development of a Miyawaki Forest in Baddi, Himachal Pradesh

Vardhman Textiles Limited has undertaken the development of a Miyawaki Forest on one-acre land area in Baddi, Himachal Pradesh, demonstrating its commitment to environmental sustainability. This afforestation method, pioneered by Japanese botanist Akira Miyawaki, focuses on creating dense, multi-layered forests with a diverse mix of native plant species that grow rapidly, replicating a 100-year-old forest in just a decade. With the guidance of Eco Sattva Environmental Solutions, Vardhman has planted

11,000 saplings comprising 51 different species, fostering a thriving natural ecosystem. This initiative not only enhances biodiversity but also contributes to carbon sequestration, helping to mitigate climate change. Additionally, the forest will improve air quality, support local wildlife and enrich the overall well-being of the surrounding community. Encouraged by the positive impact of this project, Vardhman plans to develop more Miyawaki Forests, to further strengthen its dedication to ecological conservation and sustainability.



Developed Miyawaki Forest in Baddi, H.P.



## Rural Development

At Vardhman, we are dedicated to bridging access gaps and improving living conditions for rural communities. Our efforts focus on addressing fundamental needs such as safe drinking water, sanitation, hygiene and healthcare facilities.

- Solar Street Lights:** As part of our commitment to rural infrastructure, we have installed 100 solar street lights in 15 villages near Vardhman Fabrics, Budhni, MP. These lights enhance visibility and safety during night-time, benefiting the local communities.
- Solar Lights in Himachal Pradesh:** In the Paragpur constituency, spanning districts of Kangra and Mandi, Himachal Pradesh, we have installed 90 solar lights across 37 villages. This initiative not only improves rural lighting infrastructure but also promotes sustainable energy solutions in remote areas.



### Key Highlights (Cumulative):

7,70,892 INDIVIDUALS

Benefited by extending our coverage to healthcare institutions across 5 states and 1 Union territory

₹30.17 CRORE

Total value of medical equipment donated that has enhanced healthcare delivery capabilities.

₹9.88 CRORE

Contribution for initiatives aimed at combating COVID-19.

₹47.93 CRORE

Financial contributions made to support the treatment of economically disadvantaged patients and for advance medical research.

155 VILLAGES

Reached through 88 health camps and provided health screenings for 18,700 villagers, addressing immediate healthcare needs of rural communities.

## Project Pragati

To empower farmers, we operate 'Project Pragati' as a part of the Better Cotton Initiative. This comprehensive program includes various activities aimed at enhancing the livelihood of cotton farmers. Key components of 'Project Pragati' include:

- Farmer Training:** We conduct regular training sessions to educate farmers on modern agricultural practices, sustainable farming techniques and efficient water management. These initiatives help improve crop yields and promote environment friendly farming methods.
- Health Awareness:** Health awareness programs are organised to educate farmers about personal hygiene, sanitation practices and preventive healthcare measures. By promoting health awareness, we aim to improve the overall well-being of farming communities.
- Women and Child Development:** Project Pragati places special emphasis on the empowerment of women and the holistic development of children within farming families. Initiatives may include skill development workshops for women, educational support for children and initiatives to enhance gender equality and social inclusion.

- Financial Contribution to CITI-CDRA:** We provide financial support to the Cotton Development & Research Association (CITI-CDRA) for conducting research aimed at developing better quality cotton varieties. This research focuses on enhancing crop resilience, improving fiber quality and exploring sustainable farming practices.

Through 'Project Pragati', we strive to foster sustainable agriculture, enhance farmer livelihoods and contribute to the long-term prosperity of cotton-growing communities. The initiative underscores our commitment to agricultural innovation, community development and environmental stewardship in the regions we serve.



Project PRAGATI- A Better Cotton Initiative for cotton growing farmers in Gujarat region

## Key Highlights (Cumulative):

Villagers Benefitted:	Solar Lights Installed:	Hand Pumps Installed:	Bore Wells Installed:	Ponds Renovated:
1,73,900	880	40	22	8

These initiatives aim to improve access to essential resources such as clean water and sustainable lighting, contributing to the overall development and well-being of rural communities.

## Sports and Arts & Culture Initiatives by Vardhman

### 1 Sangeet Sankalp Saptah at SAPTAK Annual Music Festival:

Vardhman's contribution to the SAPTAK Annual Music Festival under the "Sangeet Sankalp Saptah" project aims to nurture talent, provide training and promote Indian Classical Music. This initiative supports the preservation and propagation of traditional arts and culture in the realm of music. By sponsoring this festival, Vardhman plays a crucial role in encouraging and sustaining India's rich musical heritage.



Financial support for organising Saptak Music Festival

### 2 Bhopal Literature & Art Festival:

Vardhman's support for the Bhopal Literature & Art Festival underscores its commitment to fostering literary and artistic endeavours in the region. This sponsorship not only promotes cultural exchanges but also provides a platform for authors, artists and enthusiasts to showcase their work and engage with a wider audience. The festival contributes significantly to the cultural enrichment of Bhopal by celebrating creativity in various forms.

### 4 Financial Support to Punjab Swimming Association, Ludhiana

Vardhman Group has extended financial support to the Punjab Swimming Association, Ludhiana, to promote sports development and encourage young talent in the region. This assistance will help the association in organising training camps, competitions and upgrading essential facilities for swimmers.

### 3 Shoolini Fair Festival – Solan, Himachal Pradesh

Vardhman support for the "Shooloni Mela Committee" to organise their district-level event dedicated to the preservation, promotion and celebration of local folk traditions, customs, rituals, sports and values.

The Shooloni Mela holds significant cultural importance in region, serving as a platform to safeguard and promote rich heritage. This support underscores commitment to nurturing and preserving cultural diversity, fostering community pride and ensuring that these cherished traditions are passed down to future generations.

### 5 Armed Forces Flag Day Funds (AFFDF):

Vardhman's contribution to the AFFDF demonstrates its solidarity with and support for the welfare of Ex-Servicemen (ESM), martyrs, widows and dependents of the Indian Defence Forces. The funds raised through AFFDF are utilised for various welfare schemes, including financial assistance, healthcare, education and rehabilitation programs. Vardhman's involvement in AFFDF reflects its recognition and gratitude towards the sacrifices made by armed forces personnel in safeguarding the nation.

GOVERNANCE



Effective governance forms the foundation of ethical sourcing, environmental care and labour rights protection. A structured framework—based on board oversight, clear reporting and regular compliance reviews—ensures accountability across key areas, including water and energy conservation, waste management and fair wage practices. This approach not only reduces risks and boosts stakeholder confidence but also aligns operations with internationally recognised sustainability standards.



Vardhman upholds a robust Corporate Governance Policy that continues to evolve in alignment with sustainable growth and long-term value creation. The Company’s unwavering commitment to ethical and legal practices reflects its focus on delivering enduring shareholder value. Guided by a dedicated Board of Directors, a well-defined governance framework and a culture anchored in integrity, Vardhman remains steadfast in its pursuit of responsible and transparent business leadership.

**50%**  
Independent Directors in our Board

**33.33%**  
Percentage of women on the Board

**Governance Structure**

Vardhman Textiles’ governance framework goes beyond regulatory mandates to reflect the Company’s deeply embedded values. Designed to uphold honesty, customer-centricity, collaboration, innovation and sustainability, the governance structure serves as both a strategic compass and cultural cornerstone. It actively safeguards stakeholder interests while reinforcing a purpose-driven organisational ethos that supports long-term resilience and responsible growth.






**Board of Directors**

Our Board comprises of 12 directors, featuring a mix of independent and executive/ non-executive members. This varied assembly brings substantial expertise across critical sectors aligned with our strategic objectives. Their combined insights span the textiles industry, business consulting, marketing, sustainability and beyond. This rich array of skills empowers us to tackle complex challenges and promote sustainable growth.

**Board Committees**

Vardhman Textiles’ Board operates through a set of specialised committees that provide focused support in key governance areas. While these committees execute responsibilities within their respective domains, the Board retains overarching accountabilities for all decisions. To ensure transparency and informed leadership, each committee regularly shares activity updates and circulates meeting minutes to all Board members.

**KEY COMMITTEES**

-  Audit Committee
-  Nomination and Remuneration Committee
-  Stakeholders Relationship Committee
-  Risk Management Committee
-  Corporate Social Responsibility (CSR) Committee
-  Environment, Social and Governance (ESG) Committee

## Our Board of Directors



M | ●

### Mr. Shri Paul Oswal

At 83 years of age, he serves as the Chairman and Managing Director of our Company. He holds a Master's degree in Commerce (Gold Medallist) from Panjab University, Chandigarh and has over 58 years of experience in the Textiles Industry. Under his leadership, Vardhman Group has seen substantial growth in its textile operations. In recognition of his contributions to trade and industry, he has been conferred with the Padma Bhushan by the Government of India.



C | ● M | ●

### Mr. Udeypaul Singh Gill

Aged 71, he is one of the Independent Directors of our Company. He holds a Bachelor's Degree in B.Sc. (Honours) Economics and a Master's Degree in Business Administration from Punjab Agricultural University, Ludhiana. With extensive experience and insight into the global textile industry, his key strengths include sustainability, digitalisation, environmental, health & safety, mergers and acquisitions, business model enhancement, restructuring & turnaround, banking and international countertrade.



M | ● ● ● ●

### Mrs. Suchita Jain

Aged 57 years, she is the Vice-Chairperson and Joint Managing Director of our Company. She holds a Master's degree in Commerce from Panjab University, Chandigarh and has over 32 years of experience in the textile industry. She played an instrumental role in establishing fabric manufacturing (both grey and processed).



M | ● ●

### Mr. Sachit Jain

Aged 59 years, he is the Non-Executive Non-Independent Director of our Company. He holds a B. Tech (Electrical) degree from IIT, New Delhi and an MBA (Gold Medallist) from IIM Ahmedabad. He also studied Financial Management at Stanford, USA. He began his professional career with Hindustan Lever in 1989 before joining the Vardhman Group. He has over 35 years of extensive experience in the Textile and Steel industry.



M | ● ● ●

### Mr. Neeraj Jain

Aged 58 years, he is the Joint Managing Director of our Company. He holds a Bachelor's degree in Commerce and is a qualified Chartered Accountant. With over 34 years of experience in finance and the yarn business within the group, he brings a wealth of expertise to his role.



C | ● ● ● M | ●

### Mr. Suresh Kumar

Aged 69 years, he is an Independent Director of our Company. Mr. Suresh Kumar holds a Master's degree in Social Policy & Planning from the London School of Economics, University of London and is also a postgraduate in Commerce from Delhi University, Delhi. He is a former Chief Principal Secretary to the Chief Minister of Punjab. As a member of the Indian Administrative Service (IAS), he has held key positions at various levels of State and Central Government. His core experience lies in the formulation and implementation of public policies and programmes.



M | ● ●

### Ms. Sagrika Jain

Aged 30 years, she is an Executive Director of our Company. She holds a Bachelor's degree in Science (Eco. & Finance Hons.) from the University of Bristol, UK. After completing her B.Sc., she worked for two years with Arpwood Capital, Mumbai, a renowned investment Bank in India. She then joined Vardhman Textiles Limited, gaining experience at various levels over time. She has also completed her Master of Business Administration (MBA) from London Business School, London. During her Master's, she had the opportunity to work with renowned companies such as Amazon and Munich (Germany).



M | ●

### Dr. Prem Kumar

Aged 72 years, he is an Independent Director of our Company. Dr. Prem Kumar earned a Master's in Economics from Panjab University, Chandigarh, followed by M.Phil. and Ph.D. from Guru Nanak Dev University, Amritsar. Dr. Kumar is a strategist and innovative leader in designing, organising and managing enterprises across multiple domains. He is recognised as a thought leader and speaker on formulating and implementing corporate strategies, knowledge and innovation management systems. In addition to extensive industry experience, Dr. Kumar has been actively involved in the policy-making process at both the State and Central Government levels. Currently, Dr. Kumar serves as the Executive Director of Munjal BCU Centre of Innovation and Entrepreneurship.

- M | Member
- C | Chairman / Chairperson
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility (CSR) Committee
- Environment, Social and Governance (ESG) Committee



C | M | ●

**Mrs. Harpreet Kang**

Aged 51 years, she is one of the Independent Directors of our Company. She holds a Master's Degree in Journalism from the College of Humanities, Punjab Agricultural University, Ludhiana. She has also completed an Advanced Business Programme in International Business and International Marketing from Harvard University, USA. Presently, she is the Dean of International Affairs at the PCTE Group of Institutes.



C | ●

**Mr. Atul Khosla**

Aged 54 years, he is one of the Independent Directors of our Company. He holds a B.Tech degree from the Indian Institute of Technology, Kanpur and has completed an MBA from JBIMS, University of Mumbai, India. He is a career researcher, academician and management consultant with global experience in strategy, policy, innovation, organisation design and outsourcing. Currently, Mr. Khosla is Vice Chancellor of Shoolini University of Biotechnology and Management, Himachal Pradesh. Prior to this, he held senior positions in research and consulting with McKinsey & Company (the world's leading consulting and research firm), Everest Research Institute (a leading outsourcing and research think-tank) and Oliver Wyman (a prominent international research consultancy).



**Ms. Soumya Jain**

Aged 32 years, she is a Non-Executive Non-Independent Director of our Company. She has graduated in B.Sc Economic Hons. from University of Bristol in the year 2014. After completing her graduation, she worked with Vardhman Textiles Limited for a period of about 5 years. Thereafter, she pursued MBA in Family Business from Indian School of Business. In the year 2021, she joined Vardhman Special Steels Limited (VSSL) as Chief Manager and was involved in various departments of the VSSL viz. safety, quality, production, raw material and exports and in the year 2023 she was appointed as an Executive Director of VSSL.



**Dr. Arvind Sahay**

Aged 60 years, he is one of the Independent Directors of our Company. He has done a Ph.D. from the University of Texas at Austin and has taught for 8 years at London Business School, UK and 19 years at IIM, Ahmedabad. He is an alumnus of IIM, Ahmedabad and IIT, Kanpur. Prof. Arvind Sahay is a Director and Professor of Marketing and International Business at Management Development Institute (MDI), Gurgaon. Prof. Sahay has a cumulative boardroom experience of more than 42 years in financial services, marketing services, mining and process industry firms across listed and unlisted companies. His expertise spans marketing strategy, pricing and consumer behaviour, brand management, high-tech marketing and international trade & investment. He has authored 34 international peer reviewed articles, 65 cases and more than 50 articles for business magazines and newspapers. His second book - "Brands and the Brain" — was published in 2022 and is now a national best seller.

- M | Member
- C | Chairman / Chairperson
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility (CSR) Committee
- Environment, Social and Governance (ESG) Committee





## Management Discussion and Analysis Report



### Global Economy

The world economy has faced instability and uncertainty, primarily linked to geopolitical tensions. While these tensions largely remained contained at a regional level, the interconnected global supply chain and the European Union's energy dependence on Russia have adversely affected the EU economy. The world economy is estimated to grow at 3.3% in 2024, with its contours unlikely to change significantly in the ensuing years of 2025 and 2026. The crude oil prices benchmarked against the Brent Crude Oil Index moved between USD 91/barrel in April 2024 and USD 69/barrel by the end of the year, providing some respite from cost-push inflation for developing countries, especially in Asia, which grew by 5.3% in 2024. As per IMF, within Asia, China's economy grew by 5% while the Indian economy to grow by 6.5%.

The economic growth in Asia is also projected to slow down in 2025, linked with slower growth in world trade, which increased by 2.7% in 2024. The restricted trade policy and high tariffs threatened to be imposed by USA and retaliated by other countries like EU and China may result into contraction in the world trade in 2025, which is likely to have a negative

impact upon world economy, which may grow at a lower rate of growth of 2.8% in 2025 as per IMF World Economic Outlook April 2025. However, countries like India, which are mainly domestic-driven economy may not be much affected and may continue to grow above 6 percent in 2025 also with supportive fiscal and monetary policies likely to be pursued by the government.



### World Textile Trade

USA textiles and clothing imports, which may be referred to as an indicator of world textiles and clothing trade trends in 2024, increased by 3% from USD 105 bn in 2023 to USD 108 bn in 2024. The trend continued in 2025 as textiles and clothing imports grew by about 10% during January to February 2025 as well. However, with the USA's proposed tariff plan, it is apprehended that the world textiles and clothing trade may grow at slow pace in 2025.



### Indian Textile Industry

The Indian textile industry suffered headwinds in 2024 linked to higher cotton prices and slow demand, which has resulted in low capacity utilisation and also witnessed closure of about 8-10 million spindles in the country (as per industry estimates). The textiles and clothing exports also reduced by about 2% from USD 36 bn in FY 2023 to USD 35 bn in FY 2024. Industry opined that Indian textiles and clothing exports may accelerate with the successful completion of trade agreements with the EU and the USA in the coming years.



### World Cotton Outlook

For the cotton year 2024-25, the United States Department of Agriculture (USDA) estimated a rise in global cotton production by 1.73 million tons, resulting in a total of 26.33 million tons, as reported in the March 2025 World Agricultural Supply and Demand Estimates (WASDE) report. World ending stocks for 2024-25 are projected to rise by around 1.00 million tons to 17.05 million tons.

The projected consumption for 2024-25 is estimated to rise to 25.37 million tons as against 24.99 million tons during 2023-24. The world trade of cotton is projected to decrease from 9.71 million tons during 2023-24 to 9.29 million tons during 2024-25.

China's production is estimated to increase substantially from 5.95 million tons during 2023-24 to 6.91 million tons during 2024-25. China's imports are estimated to be substantially lower from 3.26 million tons during 2023-24 to 1.48 million tons during 2024-25.

World cotton production for the period 2025-26 is anticipated to decline below the levels projected for 2024-25. A reduction in production is forecasted for China, India, Turkey, Australia, and Egypt, while increases are expected for Brazil, Mexico and Argentina.

Cotton Futures on Inter-Continental Exchange (ICE) has fallen to a low level of USC 65 /Lb during March, 2025 (against average of USC 80 / Lb approx. for cotton season 2023-24). This is primarily due to the excess supply and lower demand of cotton globally. Additionally, the prevailing uncertainty in world markets due to the tariff war is also affecting demand adversely.

## Indian Cotton Outlook

In the 2024-25 crop year (October 2024–September 2025), India’s cotton industry faced supply constraints but remained resilient, per the Cotton Association of India’s (CAI) reports. Production is estimated to drop to 29.13 million bales (170 kg each), down from 30.97 million bales in 2023-24, due to crop losses in Maharashtra from uneven rainfall. Domestic consumption stabilised at 31.75 million bales. Imports are expected to rise to 3.3 million bales from 2.04 million, while exports would be steady at 1.55 million bales. Ending stocks tightened to 2.35 million bales. Cotton Corporation of India (CCI) has purchased around 10 million bales during the current cotton season under Minimum Support Price operations.

## Comparison with International Cotton Prices

Indian cotton prices were higher than international benchmarks. Average Indian cotton was priced higher than its Brazilian, U.S., Australian, and African counterparts. This disparity, despite an 11% import duty, made imports attractive, with imports jumping substantially. Even the global prices, like the Cotlook A Index, remained below India’s domestic rates, reflecting weak global demand and higher Indian supply constraints.



## Financial Performance

(₹ in crore)

Particulars	2024-25	2023-24	Change
Revenue from Operations	9,587.21	9,298.68	3.10%
Operating Profit (EBITDA)	1,624.63	1,291.93	25.75%
Finance Cost	77.02	101.99	-24.48%
Depreciation Cost	397.92	398.96	-0.26%
Profit before Tax	1,149.69	790.98	45.35%
Profit after Tax	879.07	607.63	44.67%



## Financial Ratios

	2024-25	2023-24	%Change	Reason
Debtor Turnover Ratio (Days)	49	47	4.26%	-
Inventory Turnover (Days)	140	162	-13.58%	-
Interest Coverage Ratio (Times)	17.97	10.93	64.40%	Due to an increase in operational profits, while interest expenses declined compared to last year.
Current Ratio (Times)	4.80	3.13	53.35%	Due to a decrease in borrowings compared to last year.
Debt-Equity Ratio (Times)	0.13	0.20	-35.00%	Due to a decrease in borrowings compared to last year.
EBITDA Margin (%)	16.95	13.89	22.03%	Due to an increase in operational profits compared to last year.
Net Profit Margin (%)	8.83	6.31	39.94%	Due to an increase in operational profits compared to last year.
Return on Net Worth (%)	9.18	6.90	33.04%	Due to an increase in operational profits compared to last year.

## Human Resources/ Industrial Relations

A culture of meritocracy is followed in Vardhman Textiles. The Company makes sure that everyone gets equal opportunity and respect and is treated with dignity. It also believes in fulfilling the employee’s developmental needs. In order to achieve that, the Company conducts various programmes for skill and knowledge development. The work environment is based on the holistic growth of the team. During the year, the Company has employed around 23,196 employees on the rolls. Further, industrial relations remained peaceful and harmonious during the year.

## Internal Control System and Adequacies

To make sure that the Company is up-to-date with the industry standard, it regularly reviews and updates its internal controls and measures itself with the industry Standards. In order to stay compliant, the dynamics of evolving business requirements, legal compliances and corporate governance are incorporated into current systems after a thorough evaluation with regard to the expectations of business partners, such as customers and institutions and compliance needs. Senior management keeps an eye on the internal audits’ suggestions for ongoing system updates. The infrastructure of IT systems is upgraded frequently to facilitate improved controls and corporate decision-making to make sure that the Company is not lagging in technology and is at par with the industry.



# Directors' Report

Dear Members,

The Directors of your Company have pleasure in presenting their 52<sup>nd</sup> Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2025.

## 1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2025 is as under:-

(₹ in crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations (Net)	9,587.21	9,298.68	9,784.88	9,504.68
Other Income	367.47	333.54	335.96	325.94
Profit before Depreciation, Interest & Tax (PBDIT)	1,624.63	1,291.93	1,646.44	1,341.80
Interest and Financial expenses	77.02	101.99	77.28	102.28
Profit before Depreciation and Tax (PBDT)	1,547.61	1,189.94	1,569.16	1,239.52
Depreciation	397.92	398.96	400.92	404.59
Profit before Tax (PBT)	1,149.69	790.98	1,168.24	834.93
Provision for Tax - Current Tax	240.69	177.44	242.81	181.51
- Deferred Tax	29.93	5.91	38.71	16.72
Profit after tax (PAT)	879.07	607.63	886.72	636.70
Other Comprehensive Income/ (Expense)	0.98	3.81	0.84	3.89
Total Comprehensive Income for the period	880.05	611.44	887.56	640.59
Earnings per share (₹)				
- Basic	30.40	21.01	31.05	22.20
- Diluted	30.40	21.01	31.05	22.20

## 2. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

### PRODUCTION & SALES REVIEW:

During the year under review, your Company has registered Revenue from Operations of ₹ 9,587.21 crore as compared to ₹ 9,298.68 crore in the previous year. The export of the Company (FOB value) increased from ₹ 3,899.00 crore to ₹ 4,028.00 crore showing an increase of 3.31% over the previous year. The business wise performance is as under:-

#### a) Yarn:

The production of Yarn increased from 2,62,291 MT to 2,67,552 MT during the year 2024-25.

#### b) Fabric:

During the year, the production of grey fabric increased from 204 million meter to 208 million meter.

The production of processed fabric increased from 154 million meter to 170 million meter.

#### c) Garment:

The number of garments produced during the year 2024-25 increased from 15.48 lac to 18.95 lac.

### STANDALONE:

#### Profitability:

The Company earned profit before depreciation, interest and tax of ₹ 1,624.63 crore as against ₹ 1,291.93 crore in the previous year. After providing for depreciation of ₹ 397.92 crore (Previous Year ₹ 398.96 crore), interest of ₹ 77.02 crore (Previous Year ₹ 101.99 crore), provision for current tax of ₹ 240.69 crore (Previous Year ₹ 177.44 crore), deferred tax of ₹ 29.93 crore (Previous Year ₹ 5.91 crore), the net profit from operations after comprehensive

income worked out to ₹ 880.05 crore as compared to ₹ 611.44 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 8,097.11 crore. Out of this, a sum of ₹ 115.67 crore has been utilised towards dividend and balance of ₹ 7,981.44 crore is proposed to be carried as surplus to the Balance sheet.

### Resources Utilisation:

#### a) Fixed Assets:

The Net Block as at 31<sup>st</sup> March, 2025 was ₹ 4,090.36 crore as compared to ₹ 3,710.77 crore in the previous year.

#### b) Current Assets:

The current assets as on 31<sup>st</sup> March, 2025 were ₹ 6,057.22 crore as against ₹ 6,218.41 crore in the previous year. Inventory level was at ₹ 3,681.80 crore as compared to the previous year level of ₹ 4,106.96 crore.

### CONSOLIDATED:

#### Profitability:

The Company earned profit before depreciation, interest and tax of ₹ 1,646.44 crore as against ₹ 1,341.80 crore in the previous year. After providing for depreciation of ₹ 400.92 crore (Previous Year ₹ 404.59 crore), interest of ₹ 77.28 crore (Previous Year ₹ 102.28 crore), provision for current tax of ₹ 242.81 crore (Previous Year ₹ 181.51 crore), deferred tax of ₹ 38.71 crore (Previous Year ₹ 16.72 crore), the net profit from operations after comprehensive income worked out to ₹ 887.56 crore as compared to ₹ 640.59 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 8,300.08 crore. Out of this, a sum of ₹ 96.76 crore has been utilised towards dividend (net of minority adjustment of earlier years), an amount of ₹ 1.11 crore has been transferred to Statutory Reserve and balance of ₹ 8,202.21 crore is proposed to be carried as surplus to the Balance sheet.

### Resources Utilisation:

#### a) Fixed Assets:

The Net Block as at 31<sup>st</sup> March, 2025 was ₹ 4,147.96 crore as compared to ₹ 3,766.55 crore in the previous year.

#### b) Current Assets:

The current assets as on 31<sup>st</sup> March, 2025 were ₹ 6,304.61 crore as against ₹ 6,431.59 crore in the previous year. Inventory level was at ₹ 3,761.48 crore as compared to the previous year level of ₹ 4,179.89 crore.

### FINANCIAL CONDITIONS & LIQUIDITY:

The Company enjoys a rating of "AA+/Stable" from Credit Rating Information Services of India (CRISIL) for long term borrowings and "A1+" for short term borrowings and IND A1+ for Commercial Paper from India Rating And Research. Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below:- (₹ in crore)

PARTICULARS	2024-25	2023-24
<b>Cash and Cash equivalents:</b>		
Beginning of the year	33.00	74.66
End of the year	52.11	33.00
<b>Net cash provided (used) by:</b>		
Operating Activities	1,618.72	(1,062.45)
Investing Activities	(870.03)	1,106.83
Financing Activities	(729.57)	(86.04)

## 3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

## 4. DIVIDEND:

The Board of Directors in its meeting held on 3<sup>rd</sup> May, 2025 has recommended dividend of ₹ 5/- per share on the fully paid Equity Shares of the Company.

## 5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government after the completion of seven years from the date of transfer to the Unpaid Dividend Account of the Company. The shareholders whose dividends have been transferred to the IEPF Authority can claim their dividend from the Authority. The unclaimed or unpaid dividend relating to the financial year 2017-18 is due for remittance in the month of November, 2025 to Investor Education and Protection Fund established by the Central Government.



Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published requisite advertisement in the newspapers in this regard.

The details of these shares are also provided on the website of the Company at [www.vardhman.com](http://www.vardhman.com).

## 6. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with Companies Act 2013 & applicable Indian Accounting Standards, the Audited Consolidated Financial Statements are provided in the Annual Report.

## 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any material subsidiary and joint venture. Further, during the year, no company have become or ceased to be subsidiary, joint venture or associate of the Company.

The details of the financials of the subsidiary and associate companies for the year 2024-25 are as follows:-

### VTL Investments Limited (VTL)

This 100% subsidiary of your Company is engaged in the business of investment. The earnings of the Company mainly comes from the dividend/interest earned on its investments and profits made on sale of investments. During the financial year 2024-25, VTL recorded Revenue from operations of ₹ 5.51 crore against ₹ 1.82 crore in the previous year. The net profit of the Company worked out to ₹ 4.95 crore as compared to ₹ 1.79 crore during the previous year.

### Vardhman Acrylics Limited (VAL)

This subsidiary of the Company is engaged in the business of manufacturing of Acrylic Fibre. Presently, your Company holds 70.74% shares in this subsidiary. During the financial year 2024-25, VAL recorded Revenue from operations of ₹ 281.57 crore against ₹ 297.48 crore in the previous year. The net profit of the Company after comprehensive income worked out to ₹ 11.75 crore as compared to ₹ 17.71 crore in the previous year.

### Vardhman Yarns and Threads Limited (VYTL)

Vardhman Yarns and Threads Limited, Joint Venture with American & Efir Global, LLC (A&E), is an Associate of the Company. It is engaged in the business of threads manufacturing and distribution. Presently, your Company holds 11% stake in VYTL. A&E is the second largest

player in threads manufacturing and distribution across the world. During the year under review, the Standalone Revenue from operations was ₹ 1,195.51 crore as against ₹ 1,086.56 crore in the previous year showing an increase of 10.03%. The net profit for the year after comprehensive income worked out to ₹ 205.42 crore as compared to ₹ 176.27 crore during last year.

### Vardhman Special Steels Limited (VSSL)

Vardhman Special Steels Limited is an Associate of the Company. Your Company holds 23.76% shares of VSSL. The Revenue from operations of the Company was ₹ 1,764.41 crore as compared to ₹ 1,661.36 crore in the previous year. The net profit for the year after comprehensive income worked out to ₹ 92.81 crore as compared to ₹ 91.80 crore in the previous year.

### Vardhman Spinning & General Mills Limited (VSGM)

Vardhman Spinning & General Mills Limited is an Associate of the Company. Your Company holds 50% shares of VSGM. It is a trading company. However, during the year, the Company has not traded any goods and as such there is no revenue from operations.

## 8. DIRECTORS:

**Liability to retire by Rotation:** In accordance with the provisions of the Articles of Association of the Company, Mrs. Suchita Jain and Mr. Neeraj Jain, Directors of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The Board recommended their re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

**Appointment of Directors:** During the year under review, Dr. Prem Kumar was appointed as an Independent Director of the Company for a term of five (5) consecutive years w.e.f. 30<sup>th</sup> July, 2024. His appointment was further approved by the Members of the Company in the Annual General Meeting held on 19<sup>th</sup> September, 2024.

**Cessation from Directorship:** During the year under review, Mr. Prafull Anubhai, Independent Director, ceased to be Director of the Company w.e.f. 19<sup>th</sup> September, 2024, on completion of his second term of appointment.

### Declaration by Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent

Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

Your Board confirms that in its opinion the Independent Directors possess the requisite integrity, experience, expertise, proficiency and qualifications. All the Independent Directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon (IICA) as notified by the Central Government under section 150(1) of the Companies Act, 2013 and, if applicable, shall undergo online proficiency self-assessment test within the time prescribed by the IICA.

### Familiarization programmes for Board Members:

Your Company has formulated Familiarization Programme for all the Board members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies Act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc. through various programs.

The Familiarization Programme for Board members may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Familiarisation\\_Programme\\_for\\_Board\\_Members.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Familiarisation_Programme_for_Board_Members.pdf)

### Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the financial year 2024-25 was held on 17<sup>th</sup> March, 2025 to evaluate the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole.

The evaluation was done by way of discussions on the performance of the Non-Independent Directors, Chairman and Board as a whole.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors have been formulated by the Company.

## 9. NOMINATION AND REMUNERATION POLICY:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Policy of the Company has

been duly approved and adopted by the Board pursuant to recommendations of the Nomination and Remuneration Committee of the Company and may be accessed on the website of the Company at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Nomination\\_& Remuneration\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Nomination_& Remuneration_Policy.pdf). As mandated by proviso to Section 178(4) of the Companies Act, 2013, salient features of Nomination and Remuneration Policy are as under:

- a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
- b) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and evaluating the balance of skills, knowledge and experience on Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.
- c) Recommending to the Board, policy relating to remuneration of Directors (Whole time Directors, Executive Directors etc.), Key Managerial Personnel and other employees while ensuring the following:-
  - i. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - iii. That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the Company and its goals.
- d) Formulating the criteria for evaluating performance of the Board and all the Directors.
- e) Devising a policy on diversification of Board.
- f) Determining 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.
- g) Recommending to the Board remuneration payable to the Senior Management.

## 10. KEY MANAGERIAL PERSONNEL (KMP):

In compliance with the provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31<sup>st</sup> March, 2025:

S. No.	Name	Designation
1.	S.P. Oswal	Chairman & Managing Director
2.	Rajeev Thapar	Chief Financial Officer
3.	Sanjay Gupta	Company Secretary

## 11. NUMBER OF BOARD MEETINGS:

During the year under review, the Board met Seven (7) times and the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013. The details of Board Meeting are set out in Corporate Governance Report which forms part of this Annual Report.

## 12. AUDITORS AND AUDITORS' REPORT:

### Statutory Auditors:

M/s Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were re-appointed as Statutory Auditors of the Company for a second consecutive term of 5 years at the 49<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2022.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31<sup>st</sup> March, 2025.

This Auditors' Report is self-explanatory and requires no comments.

### Secretarial Auditor:

M/s. Ashok K Singla & Associates, Company Secretary in Practice, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 9<sup>th</sup> May, 2024 for the financial year 2024-25. The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section 204 of the Companies Act, 2013 for the financial year ended 31<sup>st</sup> March, 2025. This Report is self-explanatory and requires no comments. The Report forms part of this report as **Annexure I**.

Further, pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) ("LODR") Regulations, 2015 and Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014, the Board of Directors of the Company, on the recommendation of the Audit Committee, have approved and recommended the appointment of M/s. Ashok K Singla & Associates, Peer Reviewed Company Secretary in Practice (CP No. 1942), as Secretarial Auditors of the Company for a term of 5 (Five) consecutive years from the FY 2025-26 to 2029-30, for approval of the Members at ensuing AGM of the Company. Brief resume and other details of M/s. Ashok K Singla & Associates, Company Secretaries in Practice, are separately disclosed in the Notice of ensuing AGM.

M/s. Ashok K Singla & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and SEBI (LODR) Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI (LODR) Regulations.

### Cost Auditor:

The Company is maintaining the Cost Records, as specified by the Central Government under section 148(1) of the Companies Act, 2013.

The Board of Directors has appointed M/s Ramanath Iyer & Company, Cost Accountants, New Delhi, as the Cost Auditors of the Company to conduct Cost Audit of the Accounts for the financial year ended 2025-26. However, as per the provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditors is subject to ratification by Members at the Annual General Meeting. Accordingly, the remuneration to be paid to M/s Ramanath Iyer & Company, Cost Accountants, New Delhi, for financial year 2025-26 is placed for ratification by the Members.

## 13. AUDIT COMMITTEE & VIGIL MECHANISM:

### Composition of Audit Committee:

The Audit Committee comprises of Mr. Udeypaul Singh Gill, Mr. Suresh Kumar, Mrs. Harpreet Kaur Kang, Independent Directors and Ms. Sagrika Jain, Executive Director. Mr. Udeypaul Singh Gill is the Chairman of the Committee and Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

Apart from the Audit Committee, the Company has also constituted other Board level Committees as mandated by applicable laws. Details of the Committees, along with their

composition, charters and meetings held during the year, are provided in the 'Corporate Governance Report', which forms a part of this Report. Further, during the FY 2024-25, the Board has accepted all the recommendations of its Committees.

### Vigil Mechanism:

Pursuant to the provisions of section 177(9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Whistle Blower Policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud or violation of the codes of conduct by way of direct access to the Chairman/ Chairman of the Audit Committee.

The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf)

## 14. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Practising Company Secretary of the Company regarding compliance of conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report on Corporate Governance.

## 15. CORPORATE SOCIAL RESPONSIBILITY (CSR):

**Vision & Core areas of CSR:** Your Company is committed to and fully aware of its CSR, the guidelines in respect of which were more clearly laid down in the Companies Act, 2013. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

**CSR Policy:** The CSR Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf)

During the year, the Company has spent ₹ 14.39 crore on CSR activities. Out of this, an amount of ₹ 5.30 crore pertains to FY 2024-25.

The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and form part of this report as **Annexure II**.

## 16. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the BRSR as part of the Annual Report for top 1000 listed entities based on market capitalization. In compliance with the Listing Regulations, BRSR is available on the Company's website at the link: [https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Textiles%20Ltd/BRSR\\_2024-25.pdf](https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Textiles%20Ltd/BRSR_2024-25.pdf)

## 17. DIVIDEND DISTRIBUTION POLICY (DDP):

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1,000 listed companies are required to formulate a DDP. Accordingly, a DDP was adopted to set out the parameters and circumstances that will be taken into account by the Board in recommending the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Policy is available on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Dividend\\_Distribution\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Dividend_Distribution_Policy.pdf)

## 18. RISK MANAGEMENT:

The Risk Management Policy required to be formulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity. The Policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.

The Risk Management Policy may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Risk\\_Management\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Risk_Management_Policy.pdf)

## 19. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

A report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, as given by the Statutory Auditors of the Company forms part of Independent Auditor's Report on Standalone Financial Statements and Consolidated Financial Statements as **Annexure A**.

## 20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Related_Party_Transaction_Policy.pdf)

Your Directors draw attention of the Members to Note 46 to the standalone financial statements which sets out related party disclosures.

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone

financial statement (Please refer to Note 4, 5, 9 and 12 to the standalone financial statements).

## 22. 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. Particulars with respect to conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are annexed hereto and form part of this report as **Annexure III**.

## 23. ANNUAL RETURN:

In terms of Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company at the link: <https://www.vardhman.com/Investors/Compliances>.

## 24. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

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 culture based on human performance. The Management has been continuously endeavoring to build high performance culture on one hand and amiable work environment on the other hand. As on 31<sup>st</sup> March, 2025, the Company employed around 23,196 employees on permanent rolls.

Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

## 25. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The disclosures in respect of managerial remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto and forms part of this report.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and forms part of this report.

All the above details are provided in **Annexure IV**.

In terms of section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. Further, none of the Director of the Company has received any remuneration or commission from any subsidiary company.

## 26. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

## 27. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submit its Responsibility Statement that:—

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. appropriate accounting policies have been selected and applied consistently, and have 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 31<sup>st</sup> March, 2025 and of the profit of the Company for the year ended on 31<sup>st</sup> March, 2025;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. the Internal financial controls has been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. a proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 28. GENERAL DISCLOSURES:

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Change in nature of Business of the Company.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.
6. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
7. There was no instance of one time settlement with any Bank or Financial Institution.

Further, your Directors state that the Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there was no case filed under the said Act and applicable Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

In addition to this, all the policies as required under the Act or the SEBI LODR Regulations have been formulated by the Company and are available on the website of the Company, links whereof are provided in the 'Corporate Governance Report', which forms part of this report.

## 29. VARDHMAN TEXTILES LIMITED EMPLOYEE STOCK OPTION PLAN 2024:

During the financial year 2023-24, the Board of Directors of your Company in its meeting held on 24<sup>th</sup> January, 2024 had approved 'Vardhman Textiles Limited Employee Stock Option Plan 2024'. The same has also been approved by the Members through Postal Ballot ended on 10<sup>th</sup> March, 2024. The maximum no. of Options that can be granted under the Scheme are 34,70,097 (i.e. 1.20% of the no. of shares outstanding as on 31<sup>st</sup> March, 2024). Further, the Nomination & Remuneration Committee of the Board of Directors of the Company in its

meeting held on 3<sup>rd</sup> April, 2024 has granted 31,75,000 Options to the employees under this Plan. One Option entitles the holder to apply for one equity share of the Company after a vesting period of 1 year from the date of grant.

The details as required to be disclosed are put on the Company's website and may be accessed at: [https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Textiles%20Ltd/ESOP\\_Disclosure\\_2024-25.pdf](https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Textiles%20Ltd/ESOP_Disclosure_2024-25.pdf)

### 30. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers, Business Constituents and Shareholders for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too.

They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

#### FOR AND ON BEHALF OF THE BOARD

Place: Ludhiana  
 Dated: 3<sup>rd</sup> May, 2025

(S.P. Oswal)  
 Chairman & Managing Director

### INDEX OF ANNEXURES (FORMING PART OF BOARD REPORT)

Annexure No.	Particulars
I	Secretarial Audit Report in Form no. MR-3 for FY 2024-25.
II	CSR Activities – Annual Report FY 2024-25.
III	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
IV	Particulars of employees and related disclosures.

### ANNEXURE- I

#### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2025

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

To,  
 The Members,  
**Vardhman Textiles Limited,**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vardhman Textiles 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> 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 the Company for the Financial Year ended on 31<sup>st</sup> March, 2025 according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the Audit period;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 -Not applicable to the Company during the Audit period; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 -Not applicable to the Company during the Audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

During the period under review, the Company has complied with the provisions of the abovementioned Acts, Rules, Regulations, Guidelines, Standards etc.

**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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda

items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

**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** during the audit period the Company has not any specific events / actions which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Ashok K Singla & Associates,**  
Company Secretaries,

Sd/-  
**Ashok Singla**  
Proprietor

Membership No. 2004  
Certificate of Practice No. 1942  
UDIN: F002004G000257875

Date: 3<sup>rd</sup> May, 2025  
Place: Ludhiana

**List of Labour Laws and Environmental Laws which have been verified during Audit Period**

**List of Labour Laws**

- The Factories Act, 1948
- The Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- The Employee's State Insurance Act, 1948
- The Payment of Bonus Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Apprentices Act, 1961

**List of Environmental Laws**

- The Environmental (Protection) Act, 1986
- The Public Liability Insurance Act, 1991
- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Hazardous Waste (Management, Handling and Trans boundary Movements) Rules, 2008

**Annexure A**

To,  
The Members,  
**Vardhman Textiles Limited,**

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

1. Maintenance of secretarial records is the responsibility of the management of the company. 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 the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Ashok K Singla & Associates,**  
Company Secretaries,

Sd/-  
**Ashok Singla**  
Proprietor

Membership No. 2004  
Certificate of Practice No. 1942  
UDIN: F002004G000257875

Date: 3<sup>rd</sup> May, 2025  
Place: Ludhiana

**ANNEXURE- II**

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25**

**1. Brief outline on CSR Policy of the Company.**

The focus areas of the Company under its CSR programme are promotion of education, preventive health care, rural development, skill enhancement, environment protection and any other project as defined in Schedule VII of the Companies Act, 2013.

**2. Composition of CSR Committee:**

Composition of the CSR Committee and details of attendance during Financial Year 2024-25 are as under:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Prafull Anubhai	Chairman, Independent, Non-Executive Director	3	2*
2.	Mr. Suresh Kumar#	Chairman, Independent, Non-Executive Director	3	3
3.	Mrs. Suchita Jain	Member, Non-Independent, Executive Director	3	3
4.	Mr. Neeraj Jain	Member, Non-Independent, Executive Director	3	2
5.	Mr. Sachit Jain	Member, Non-Independent, Non-Executive Director	3	1

\*Mr. Prafull Anubhai ceased to be the Chairman and Member of the Committee w.e.f. 19<sup>th</sup> September, 2024.

#Mr. Suresh Kumar was designated as the Chairman of the Committee w.e.f. 30<sup>th</sup> October, 2024.

**3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

Link of Composition: [https://www.var dhman.com/Document/Report/Company%20Information/Board/Vardhman%20Textiles%20Ltd/List\\_of\\_Committee\\_of\\_Directors.pdf](https://www.var dhman.com/Document/Report/Company%20Information/Board/Vardhman%20Textiles%20Ltd/List_of_Committee_of_Directors.pdf)

Link of Policy: [https://www.var dhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.var dhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf)

Link of CSR Projects: [https://www.var dhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Textiles%20Ltd/CSR\\_Projects\\_2025-26.pdf](https://www.var dhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Textiles%20Ltd/CSR_Projects_2025-26.pdf)

**4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

N.A.

5. (a) Average net profit of the Company as per sub-section (5) of Section 135:- ₹ 1,20,335.13 lac
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 2,406.70 lac
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [(b) +(c)-(d)]: ₹ 2,406.70 lac
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 505.12 lac
- (b) Amount spent in Administrative Overheads: ₹ 25.30 lac
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total amount spent for the Financial Year [(a) + (b) + (c)]: ₹ 530.42 lac

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lac)	Amount Unspent (₹ in lac)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
530.42	1,877.77	28/04/2025	-	-	-

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

Sr. No.	Particular	Amount (₹ in lac)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	2,406.70
(ii)	Total amount spent for the financial year	530.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (₹ in lac)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (₹ in lac)	Amount Spent in the Financial Year (₹ in lac)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in lac)	Deficiency, if any
					Amount (₹ in lac)	Date of Transfer		
1	2021-22	965.27	51.07	87.11*	-	-	-	-
2	2022-23	1,535.36	728.91	252.35	-	-	476.56	-
3	2023-24	1,671.17	1,671.17	395.44	-	-	1,275.73	-

\*The Company has spent an amount of ₹87.11 lac against an amount of ₹51.07 lac to be spent from FY 2021-22. This excess amount of ₹36.04 lac pertains to FD Income and was also spent as CSR obligation.

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:**

Yes No

If yes, enter the number of Capital assets created/acquired: **N.A.**

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
N.A.							

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:**

An amount of ₹ 1,877.77 lac remaining unspent pertains to "Ongoing Projects." This amount has been transferred to a separate unspent CSR Account. The said "Ongoing Projects" will be complete by FY 2027-28.

Sd/-  
**(S.P. Oswal)**  
(Chairman & Managing Director)

Sd/-  
**(Suresh Kumar)**  
(Chairman of CSR Committee)

### ANNEXURE- III

#### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

##### CONSERVATION OF ENERGY

Conference of the Parties (COP 21) was held in Paris under the UN Body, UNFCCC in 2015. The agreement reaffirms the goal of keeping average warming below 2 degrees celsius. India has submitted its Intended Nationally Determined Contributions (INDC) with plan, policies, measures, actions etc. to combat climatic change. Some of India's INDC commitments include the following:

- Reduce emission intensity of its GDP by 33 to 35 percent by 2030 from 2005 level.
- Generate 40 percent cumulative electric power generation from non-fossil fuel-based resources by 2030.
- Support environmental initiatives (annually, 220 billion rupees of CSR money is to be spent).
- Voluntary carbon disclosure programme for private sector handled by Carbon Disclosure Project, India.
- Smart Cities Mission-by building a clean and sustainable environment.
- Green Highways (Plantation & Maintenance) Policy-140,000 km long "tree-line" along both sides of national highways.
- Faster Adoption and Manufacturing of Hybrid & Electric Vehicles.

Vardhman Group is taking initiatives by understanding its moral responsibility towards global interest.

##### STEPS TAKEN FOR CONSERVATION OF ENERGY:

All the Plants of the Company have taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. Emphasis is also given to optimise the operation of various equipments which lead to energy conservation.

Consequent to the Energy Conservation measures taken, the Company was able to save 45.11 lac kWh units of electricity thereby making a savings of ₹ 419.16 lac during the financial year 2024-25.

##### STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

Green power is a subset of renewable energy and represents those renewable energy resources and technologies that provide the lowest environmental impact. The market defines green power as electricity produced from solar, wind, geothermal, biogas and low-impact small hydro-electric sources.

The Company has installed Solar Power Plants in Vardhman Fabrics, Budhni and Vardhman Yarns, Satlapur, under the Sustainability Aspect – 'Avoidance of the depletion of Natural Resources to maintain an Ecological Balance.'

Further, the Company is planning to install more projects under renewable energy sources and will continue to contribute towards achieving the global targets on climate change.

##### Details of Unit wise initiatives are mentioned below:-

In Vardhman Fabrics, Budhni we have installed three separate solar captive plants. Details are as below:

- 7.5 MW ground mounted solar captive power plant was commissioned during the FY 2019-20. Actual generation in FY 2024-25 is 128.40 lac kWh/ annum.
- 1.6 MW rooftop mounted solar captive power plant was commissioned during the FY 2020-21. Actual generation in FY 2024-25 is 23.92 lac kWh/ annum.
- 3.5 MW rooftop mounted solar captive power plant was commissioned during the FY 2023-24. Actual generation in FY 2024-25 is 54.12 lac kWh/ annum.

In Vardhman Yarns, Satlapur, we have installed three separate solar captive plants. Details are as below:

- 2.4 MW rooftop mounted solar captive power plant was commissioned during the FY 2019-20. Actual generation in FY 2024-25 is 35.75 lac kWh/ annum.
- 1.6 MW rooftop mounted solar captive power was commissioned during the FY 2020-21. Actual generation in FY 2024-25 is 23.09 lac kWh/ annum.

- 1.1 MW rooftop mounted solar captive power plant was commissioned during the FY 2023-24. Actual generation in FY 2024-25 is 16.01 lac kWh/ annum.

In Auro Spinning Mills, Baddi, we have installed one separate solar captive plant. Details are as below:

- 2.2 MW rooftop mounted solar captive power plant was commissioned during the FY 2022-23. Actual generation in FY 2024-25 is 33.03 lac kWh/ annum.

The Company generated 314.32 lac kWh units of electricity from renewable source, i.e. Solar (19.9 MW installed capacity) in FY 24-25 leading a reduction of 26,088 ton of CO2 emission in atmosphere and saving of ₹ 1,728.76 lac.

To move forward on the sustainability journey of Group, we have identified potential of 46.55 MWp capacity on plant rooftops. All the projects are under execution and will be energized by FY 2025-26.

##### CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Apart from installation of solar plants, the Company has incurred ₹ 695.15 lac on different energy and utilities saving projects.

##### TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are furnished as under:

##### A) RESEARCH AND DEVELOPMENT (R&D):

##### 1. Specific areas in which Research & Development is carried out by the Company:

Research & Development is carried out for development of new products and for improvement in the production process and quality of products. The Company has been pioneer in the launch of new products that have been successful in the market due to its R&D efforts.

##### 2. Benefits derived as a result of R & D:

The Company has continuously been improving the quality of its existing products and has entered into new products and also been able to reduce the cost of production.

##### 3. Future Course of action:

Management is committed to further strengthen R&D activities to improve its competitiveness in the times to come.

#### 4. Expenditure on R & D:

(₹ in crore)

Particulars	(2024-25)	(2023-24)
Capital	5.36	8.19
Recurring	2.79	1.95
Total	8.15	10.14
Total R & D expenditure as a Percentage of Turnover	0.09%	0.11%

#### B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

##### 1. Efforts made:

The Company is continuously making efforts for adaptation of latest technology in all its Units. The Company has also created specific cells for studying and analyzing the existing processes for further improvement.

##### 2. Particulars of technology imported in last three years.

a) Technology imported	NIL
b) Year of import	N.A.
c) Has technology been fully absorbed	N.A.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans are given hereunder:

- Export of yarn and fabric diversified into new Products & Markets with continuous growth.
- Our focus on exporting Value-Added Products has been fruitful, contributing approximately 43% to our total exports for the financial year 2024-25.
- We are increasing our emphasis on the sale of environment friendly yarn & fabric and boosting sales to direct brands.
- Our exports have reached 65 countries during FY 2024-25.

##### Total Foreign Exchange earned and used:

(₹ in crore)

Particulars	2024-25	2023-24
Earnings (FOB value of Exports, commission earned)	4,028.00	3,899.00
b) Outgo (CIF value of Imports and expenditure in foreign currency)	2,096.79	1,100.26

## ANNEXURE- IV

### Particulars of employees and related disclosures:

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2024-25 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25 are as under:

Sr. No.	NAME OF DIRECTOR/ KMP AND DESIGNATION	REMUNERATION FOR DIRECTORS/ KMP FOR FINANCIAL YEAR 2024-25 (Amount in ₹)	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR 2024-25	RATIO OF REMUNERATION OF EACH DIRECTOR/ KMP TO MEDIAN REMUNERATION OF EMPLOYEES
1.	S.P. Oswal Chairman & Managing Director	22,77,94,727	30.91	465.30
2.	Suchita Jain Vice- Chairperson & Joint Managing Director	3,42,93,862	1.80	70.05
3.	Neeraj Jain Joint Managing Director	3,75,80,976	35.06	76.76
4.	Sachit Jain Non- Executive Non- Independent Director	-	-	-
5.	Sagrika Jain Executive Director	1,14,51,691	5.58	23.39
6.	Prafull Anubhai* Non- Executive Independent Director	4,70,000	-	0.96
7.	Suresh Kumar Non-Executive Independent Director	8,70,000	93.33	1.78
8.	Atul Khosla^ Non-Executive Independent Director	4,05,000	-	0.83
9.	Harpreet Kaur Kang Non-Executive Independent Director	6,60,000	57.14	1.35
10.	Udeypaul Singh Gill Non-Executive Independent Director	7,55,000	135.94	1.54
11.	Prem Kumar# Non-Executive Independent Director	4,15,000	-	0.85
12.	Rajeev Thapar Chief Financial Officer	1,13,84,749	20.98	23.26
13.	Sanjay Gupta Company Secretary	28,33,373	14.27	5.79

\*Mr. Prafull Anubhai ceased to be Director of the Company w.e.f 19.09.2024.

^Mr. Atul Khosla was appointed as Director of the Company w.e.f. 04.08.2023.

#Dr. Prem Kumar was appointed as a Director of the Company w.e.f 30.07.2024.

2. The median remuneration of employees of the Company during the financial year was ₹ 4,89,560.
3. In the financial year, there was an increase of 16.56% in the median remuneration of employees.
4. There were 23,196 permanent employees on the rolls of Company as on March 31, 2025.
5. Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year 2024-25 was 5.09% whereas the increase in the managerial remuneration for the same financial year was 25.97%.
6. It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy of the Company.

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

##### a. PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR, WHO WERE IN RECEIPT OF REMUNERATION WHICH, IN THE AGGREGATE, WAS NOT LESS THAN ₹ 1,02,00,000/- PER ANNUM

Sr. No.	Name of employee	Designation/ Nature of duties	Remuneration (in ₹ lac)	Qualification	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
1.	Mr. S.P. Oswal	Chairman & Managing Director	2,277.95	M.Com	83	58	08.10.1973	Chairman & Managing Director (Vardhman Spinning and General Mills Limited)
2.	Mr. Neeraj Jain	Joint Managing Director	375.81	B.Com, CA	58	34	31.03.2010	N.A.
3.	Mrs. Suchita Jain	Vice-Chairperson & Joint Managing Director	342.94	M.Com	57	32	29.01.2010	N.A.
4.	Mr. Parveen Dhingra	Chief General Manager (Operations) & Unit Head	156.85	B.Text.	59	36	27.09.1993	Deepak Spinners Limited
5.	Mr. Sushil Kumar Jhamb	Director (Raw Material Procurement)	133.77	B.Com, CA	70	47	01.06.2017	Vardhman Yarns and Threads Limited
6.	Mr. Tara Chand Gupta	Director (MP Location)	122.62	B.Tech (Textiles)	64	43	24.05.1993	Modern Syntex Limited
7.	Ms. Sagrika Jain	Executive Director	114.52	B.Sc. (Eco. & Finance Honours), MBA	30	7	06.08.2022	Arpwood Capital Private Limited
8.	Rajeev Thapar	Chief Financial Officer	113.85	B.Com (Hons.) & CA	57	35	01.06.1990	SC Vasudeva & Co.
9.	Mukesh Saxena	Chief General Manager (Operations) & Unit Head	113.60	B.Tech (Textiles)	63	43	01.02.2007	Indorama Synthetics India Limited
10.	Mukesh Bansal	Executive Vice-President (Head- Fabric Sales & Marketing)	105.14	MBA, CS	50	30	21.08.1995	VMT Spinning Co. Limited

##### b. PERSONS EMPLOYED FOR A PART OF FINANCIAL YEAR, WHO WERE IN RECEIPT OF REMUNERATION FOR ANY PART OF THAT YEAR, AT A RATE WHICH IN AGGREGATE, WAS NOT LESS THAN ₹ 8,50,000/- PER MONTH

Sr. No.	Name of employee	Designation/ Nature of duties	Remuneration (in ₹ lac)	Qualification	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
1.	Mr. Sawinder Pal	Director (MP Location)	99.64	MA (History)	81	61	15.05.1985	Punjab Alkalies & Chemicals Limited

**c. STATEMENT SHOWING DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:**

S.No., Name, Age, Designation, Gross Remuneration (in ₹ Lac per annum), Nature of Employment, Qualifications, Experience (in years), Date of Joining, Previous Employment and No. of Equity Shares held by the employee as on 31.03.2025

1, S.P. Oswal, 83, Chairman & Managing Director, 2,277.95, Regular, M.Com, 58, 08.10.1973, Vardhman Spinning and General Mills Limited, 29,87,955. 2, Neeraj Jain, 58, Joint Managing Director, 375.81, Regular, B.Com & CA, 34, 31.03.2010, N.A., 3,000. 3, Suchita Jain, 57, Vice-Chairperson & Joint Managing Director, 342.94, Regular, M.Com, 32, 29.01.2010, N.A., 12,22,120. 4, Parveen Dhingra, 59, Chief General Manager (Operations) & Unit Head, 156.85, Regular, B.Text, 36, 27.09.1993, Deepak Spinners Limited, 27,750. 5, Sushil Kumar Jhamb, 70, Director (Raw Material Procurement), 133.77, Regular, B.Com & CA, 47, 01.06.2017, Vardhman Yarns and Threads Limited, 1,280. 6, Tara Chand Gupta, 64, Director (MP Location), 122.62, Regular, B.Tech (Textiles), 43, 24.05.1993, Modern Syntex Limited, 27,150. 7, Sagrika Jain, 30, Executive Director, 114.52, Regular, B.Sc. (Eco. & Fin. Hons.) & MBA, 7, 06.08.2022, Arpwood Capital Private Limited, 34,925. 8, Rajeev Thapar, 57, Chief Financial Officer, 113.85, Regular, B.Com (Hons.) & CA, 35, 01.06.1990, SC Vasudeva & Co., 3,550. 9, Mukesh Saxena, 63, Chief General Manager (Operations) & Unit Head, 113.60, Regular, B. Tech (Textiles), 43, 01.02.2007, Indorama Synthetics India Limited, 15,800. 10, Mukesh Bansal, 50, Executive Vice-President (Head – Fabric Sales & Marketing), 105.14, Regular, MBA & CS, 30, 21.08.1995, VMT Spinnings Co. Limited, 13,500.

**Note:** Except Mr. S.P. Oswal, Mrs. Suchita Jain and Ms. Sagrika Jain, none of the above employees is related to any Director of the Company.

# Corporate Governance Report

This report on corporate governance forms part of the Annual Report. Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmark of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

**1. COMPANY'S PHILOSOPHY:**

- Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".
- Total customer focus in all operational areas.
- Products to be of best available quality for premium market segments through TQM.
- Zero defect implementation.
- Global orientation targeting – at least 20% production for exports.
- Integrated diversification/ product range expansion.
- World class manufacturing facilities with most modern R & D and process technology.
- Faith in individual potential and respect for human values.
- Encouraging innovation for constant improvements to achieve excellence in all functional areas.
- Accepting change as a way of life.
- Appreciating our role as a responsible corporate citizen.

**2. BOARD OF DIRECTORS/ BOARD MEETINGS:**

**i. Composition as on March 31<sup>st</sup>, 2025**

The Composition of Board and category of Directors are as follows:-

Category	Name of Directors
Promoter Directors	# S.P. Oswal- Chairman & Managing Director
	# Suchita Jain- Vice- Chairperson & Joint Managing Director
	# Sagrika Jain- Executive Director
	# Sachit Jain- Non-Executive Director
Executive Non-Independent Director	Neeraj Jain- Joint Managing Director
Independent Directors	Suresh Kumar
	Harpreet Kaur Kang
	Udeypaul Singh Gill
	Atul Khosla
	Prem Kumar

**Relationship Inter-se:**

# Except Mr. S.P. Oswal, Mr. Sachit Jain, Mrs. Suchita Jain and Mrs. Sagrika Jain, none of the Director of the Company is related to any other Director of the Company.

**ii. Board Meetings:**

During the financial year 2024-2025, the Board met 7 (Seven) times on the following dates:

- 30<sup>th</sup> April, 2024
- 9<sup>th</sup> May, 2024
- 30<sup>th</sup> July, 2024
- 30<sup>th</sup> October, 2024
- 28<sup>th</sup> November, 2024
- 22<sup>nd</sup> January, 2025
- 31<sup>st</sup> March, 2025

iii. Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorships/Chairmanships in Indian Public Limited Companies and names of other Listed Entities where the person is director and category of directorship therein are as follows:-

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in other Companies	Names of other Listed Entities where the person is Director	Category of Directorship in other listed entities	No. of Committee memberships in other Companies	Total No. of Board Chairmanships in other Companies	Total No. of Committee Chairmanships in other companies
S.P. Oswal	7	No	5	Vardhman Acrylics Limited Vardhman Holdings Limited	Non-Executive Director Executive Director	3	2	3
Suchita Jain	6	Yes	7	Vardhman Holdings Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Non-Executive Director Non-Executive Director Non-Executive Director	4	-	1
Neeraj Jain	6	No	3	-	-	-	-	-
Sagrika Jain	7	No	-	-	-	-	-	-
Sachit Jain	4	No	8	Vardhman Holdings Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Non-Executive Director Executive Director Non-Executive Director	1	-	-
Prafull Anubhai*	3	Yes	-	-	-	-	-	-
Suresh Kumar	7	No	3	UPL Limited	Non-Executive Director	1	-	-
Harpreet Kaur Kang	5	Yes	1	Sportking India Limited	Non-Executive Director	1	-	-
Udeypaul Singh Gill	7	No	-	-	-	-	-	-
Atul Khosla	5	No	-	-	-	-	-	-
Prem Kumar#	5	No	-	-	-	-	-	-

\*Mr. Prafull Anubhai ceased to be a Director of the Company w.e.f.19.09.2024 on completion of his second term of appointment.

#Dr. Prem Kumar was appointed as an Independent Director of the Company w.e.f. 30.07.2024.

Video conferencing facility was provided to facilitate Directors travelling abroad or present at other locations to participate in the Board meetings.

3. BOARD COMMITTEES:

i. Board Committees, their composition and terms of reference, as on 31<sup>st</sup> March, 2025, are provided as under:

NAME OF COMMITTEE	COMPOSITION	TERMS OF REFERENCE
Audit Committee	Udeypaul Singh Gill (Chairman) Suresh Kumar Harpreet Kaur Kang Sagrika Jain	<ul style="list-style-type: none"> <li>The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.</li> </ul>
Nomination and Remuneration Committee	Suresh Kumar (Chairman) S.P. Oswal Udeypaul Singh Gill	<ul style="list-style-type: none"> <li>The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Formulated and recommended Nomination and Remuneration Policy.</li> <li>The Nomination &amp; Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) of the Companies Act, 2013.</li> </ul>
Corporate Social Responsibility Committee	Suresh Kumar (Chairman) Suchita Jain Neeraj Jain Sachit Jain	<ul style="list-style-type: none"> <li>Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to provisions of Schedule VII of the Companies Act, 2013 read with CSR Rules, 2014. The CSR Policy may be accessed on the Company's website at the link: <a href="https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf">https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf</a></li> <li>Recommends expenditure to be incurred for CSR activities/project and ensures effective monitoring of CSR Policy of the Company from time to time.</li> <li>The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as <b>Annexure II</b>.</li> </ul>
Stakeholder's Relationship Committee	Harpreet Kaur Kang (Chairperson) Suchita Jain Sachit Jain	<ul style="list-style-type: none"> <li>The Committee reviews and ensures redressal of investor grievances.</li> <li>The Committee noted that during the year the Company received 4 complaints from the investors and the same have been duly resolved by the Company.</li> </ul>
Risk Management Committee	Atul Khosla (Chairman) Suchita Jain Neeraj Jain Rajeev Thapar	<ul style="list-style-type: none"> <li>The Risk Management Policy of the Company aims to maximise opportunities in all activities and to minimise adversity.</li> <li>The Risk Management framework includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.</li> <li>The Risk Management Policy may be accessed on the Company's website at the link: <a href="https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Risk_Management_Policy.pdf">https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Risk_Management_Policy.pdf</a></li> </ul>

Mr. Sanjay Gupta, Company Secretary and Compliance Officer of the Company is the Secretary of all Board Committees constituted under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ii. Meetings of Board Committees held during the year and Director's attendance:**

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders' Relationship	Risk Management Committee
<b>Meetings held</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>2</b>
S.P. Oswal	N.A.	N.A.	3	N.A.	N.A.
Suchita Jain	N.A.	3	N.A.	1	2
Neeraj Jain	N.A.	2	N.A.	N.A.	2
Sagrika Jain	3	N.A.	N.A.	N.A.	N.A.
Sachit Jain	N.A.	1	N.A.	0	N.A.
Prafull Anubhai*	3	2	3	N.A.	1
Suresh Kumar	6	3	N.A.	N.A.	N.A.
Harpreet Kaur Kang	6	N.A.	N.A.	1	N.A.
Udeypaul Singh Gill	3 <sup>#</sup>	N.A.	3	N.A.	N.A.
Atul Khosla	N.A.	N.A.	N.A.	N.A.	1 <sup>^</sup>
Prem Kumar	N.A.	N.A.	N.A.	N.A.	N.A.

\*Mr. Prafull Anubhai ceased to be the Chairman & Member of the Audit Committee, CSR Committee, Nomination & Remuneration Committee and Risk Management Committee w.e.f. 19.09.2024.

<sup>#</sup>Mr. Udeypaul Singh Gill was appointed as the Chairman & Member of the Audit Committee w.e.f. 19.09.2024.

<sup>^</sup>Mr. Atul Khosla was appointed as the Chairman & Member of the Risk Management Committee w.e.f. 19.09.2024.

N.A. - Not a member of the Committee

**iii. Meeting of Independent Directors:**

A meeting of Independent Directors of the Company for the financial year 2024-25 was held on 17<sup>th</sup> March, 2025 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

**Performance Evaluation**

The performance evaluation of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole, was done by Independent Directors by way of discussions on their performance.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors has been formulated by the Company.

Pursuant to the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the Nomination and Remuneration Policy, the Board of Directors/ Independent Directors/ Nomination & Remuneration Committee ("NRC")

(as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

**Familiarisation programme for Independent Directors**

The details of the Familiarisation Programme conducted for the Independent Directors of the Company are available on the Company's website at the link:

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Familiarisation\\_Programme\\_for\\_Board\\_Members.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Familiarisation_Programme_for_Board_Members.pdf)

**iv. Core Skills/ Expertise / Competencies available with the Board**

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The table below summarizes the key attributes and skills matrix considered necessary for effective functioning of the Company and are currently available with Board:

Name of Director	Area of Expertise	Name of Director	Area of Expertise
S.P. Oswal	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience	Sachit Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Suchita Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience	Suresh Kumar	Strategic Planning Leadership Administrative Experience
Neeraj Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience	Harpreet Kaur Kang	Strategic Planning Leadership Administrative Experience
Sagrika Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience	Udeypaul Singh Gill	Strategic Planning Leadership Industry Experience Administrative Experience
		Atul Khosla	Strategic Planning Leadership Administrative Experience
		Prem Kumar	Strategic Planning Leadership Industry Experience Administrative Experience

**4. DIRECTORS' REMUNERATION:**

**i) Chairman and Managing Director / Joint Managing Directors / Executive Director:**

The Company pays remuneration to Chairman and Managing Director, Joint Managing Directors and Executive Director as approved by the Board of Directors and the Members of the Company in the General Meeting.

A detail of remuneration paid to these Directors, during the year 2024-25, is as given below: (in ₹)

Name	S.P. Oswal	Suchita Jain	Neeraj Jain	Sagrika Jain
<b>Designation</b>	Chairman & Managing Director	Vice-Chairperson & Joint Managing Director	Joint Managing Director	Executive Director
<b>Salary</b>	1,19,00,000	1,11,37,742	1,20,00,000	41,46,774
<b>Perquisites &amp; Allowances</b>	1,47,66,727	76,81,849	91,40,976	26,60,530
<b>Retirement Benefit</b>	14,28,000	13,36,529	14,40,000	4,97,613
<b>Commission</b>	19,97,00,000	-	-	-
<b>Performance Linked Incentive and criteria thereof</b>	-	1,41,37,742	1,50,00,000	41,46,774

Performance Linked Incentive is decided by the Nomination & Remuneration Committee based on the resolutions passed by the Members of the Company, i.e. upto the ceiling of double of the annual basic salary in case of Joint Managing Directors and upto a ceiling of 100% of the annual basic salary, in case of the Executive Director.

The tenure of office of Managing Director & Joint Managing Director(s) is 5 (five) years from their respective dates of appointment and tenure of office of the Executive Director is 3 (three) years from the date of appointment. The term can be terminated by either party by giving 3 months notice in writing. There is no separate provision for payment of severance fees.

None of the above mentioned Directors have been granted any stock options except Mr. Neeraj Jain, who has been granted 80,000 Options during the current financial year under the Vardhman Textiles Limited Employee Stock Option Plan 2024.

**ii) Non-Executive Directors:**

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board & Committee Meetings.

During the year, the sitting fees payable to Independent Directors has been increased from ₹ 50,000/- to ₹ 75,000/- per Board Meeting, from ₹ 35,000/- to ₹ 50,000/- per Audit Committee Meeting and from ₹ 30,000/- to ₹ 40,000/- per meeting for any other Committee Meeting, w.e.f. 30<sup>th</sup> July, 2024.

The detail of sitting fees paid to the Directors during the Financial Year 2024-25 is given hereunder: -

Sr. No.	Name of Director	Sitting Fee (₹)
1.	Prafull Anubhai*	4,70,000
2.	Suresh Kumar	8,70,000
3.	Harpreet Kaur Kang	6,60,000
4.	Udeypaul Singh Gill	7,55,000
5.	Atul Khosla	4,05,000
6.	Prem Kumar#	4,15,000

\*Mr. Prafull Anubhai ceased to be a Director of the Company w.e.f. 19.09.2024 on completion of his second term of appointment.

#Dr. Prem Kumar was appointed as a Director of the Company w.e.f. 30.07.2024.

**5. PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY AS ON 31<sup>ST</sup> MARCH, 2025:**

The particulars of Senior Management of the Company is given as follows:-

Name of the Senior Management Personnel	Designation
Sawinder Pal*	Director (MP Location)
Indermohanjit Singh Sidhu	President & Director In-Charge (Baddi Location)
Sushil Kumar Jhamb	Director (Raw Material Procurement)
Dinesh K. Sindwani*	Director (Corporate Services)
Tara Chand Gupta	Director (MP Location)
Gurpreet Singh	Chief General Manager (Operations) & Unit Head
Mukesh Saxena	Chief General Manager (Operations) & Unit Head
Parveen Dhingra	Chief General Manager (Operations) & Unit Head
Harsh Mani Tripathi	Chief General Manager (Operations) & Unit Head
Sumit Aggarwal	Chief General Manager (Sub-Business Unit Head Melange)
Mukesh Bansal	Executive Vice-President (Head - Fabric Sales & Marketing)
Vikas Mittal	Executive Vice-President (Operations)
Vikas Kumar	Executive Vice-President (Chairman Office, Digital & IT and HR)
Rana Harjinder Paul Singh	Executive Vice-President (Head - Yarn Exports Sales & Marketing)
Rajesh Chopra	Senior Vice-President (Head - Corporate Commercial)
Rajeev Mehani	Senior Vice-President (Head - Yarn Technical Services)
Kamal Kishore Ohri	Senior Vice-President (Head - Corporate Projects & Purchase)
Vasant Kumar Bisen	Vice-President (Head - Domestic Yarn Sales)
Satnam Singh Saini	Assistant Vice-President (Head - Internal Audit & Compliance)
Rajeev Thapar	Chief Financial Officer
Sanjay Gupta	Company Secretary & Compliance Officer

\*During the year, Mr. Dinesh K. Sindwani and Mr. Sawinder Pal have retired from the services of the Company w.e.f. 01.08.2024 and 01.02.2025, respectively. As such, they ceased to be Senior Management Personnel of the Company.

**6. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31<sup>ST</sup> MARCH, 2025:**

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows: -

Sr. No.	Name of Director	Number of Shares Held
1.	S.P. Oswal	29,87,955
2.	Suchita Jain	12,22,120
3.	Neeraj Jain	3,000
4.	Sagrika Jain	34,925

No other director holds any share in the Equity Share Capital of the Company.

**7. GENERAL BODY MEETINGS:**

**i. The details of Annual General Meeting & no. of Special Resolutions passed during last three financial years are as follows:**

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
51 <sup>st</sup> Annual General Meeting for the Financial year ended 31 <sup>st</sup> March, 2024.	Thursday, 19 <sup>th</sup> September, 2024 at 11:30 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2
50 <sup>th</sup> Annual General Meeting for the Financial year ended 31 <sup>st</sup> March, 2023.	Saturday, 30 <sup>th</sup> September, 2023 at 10:00 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1
49 <sup>th</sup> Annual General Meeting for the Financial year ended 31 <sup>st</sup> March, 2022.	Friday, 30 <sup>th</sup> September, 2022 at 10:15 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2

**ii. Postal Ballot:**

During the year, no resolution was passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot in the financial year 2025-26.

**8. DISCLOSURES:**

**i.** There was no materially significant related party transaction. Transactions with related parties are disclosed in Note No. 46 to the Financial Statements. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Related\\_Party\\_Transaction\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Related_Party_Transaction_Policy.pdf)

**ii.** There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority, relating to capital market, during the last three years, except a fine of ₹ 1,000/- and ₹ 31,000/- levied by BSE for non-compliance of some provisions of the SEBI (LODR) Regulations, 2015, pertaining to listed NCDs, for the financial year 2022-23 and 2023-24, respectively.

**iii.** The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil

Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at the link:

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf)

**iv.** The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**v.** The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**vi.** During the year, no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**vii.** Risk Management Policy as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by Board of Directors of the Company. The aim of Risk Management Policy is to maximize the opportunities in all activities and to minimize adversity.

- viii. Further, the Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company may also take-up the non-mandatory requirements of the Regulations in due course of time.
- ix. As on March 31, 2025, there was no outstanding GDRs/ADRs/Warrants or any convertible instruments.
- x. The Company prudently hedges the Foreign Exchange Risk and Commodity Price Risk. The Company enters into forward contracts and options contracts for hedging foreign exchange exposures against exports and imports. Further, the Company also enters in commodity derivative contracts for hedging commodity price risk exposures on cotton purchase. The details of foreign currency exposure are disclosed in the Note No. 37 to the Financial Statements.

Further, exposure of the Company to commodity risk as on 31<sup>st</sup> March, 2025 is as follows:

Commodity Name	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
		Domestic market		International market		Total
		OTC	Exchange	OTC	Exchange	
Cotton	(i) Closing Stock = 128.569 million kg approx.	-	-	-	-	-
	(ii) Anticipated Purchases = 382.01 million kg approx.	-	-	-	2.85%	2.85%

- xi. The Company has no Material Subsidiary. The policy for determining 'Material Subsidiary' is available at Company's Website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Policy\\_for\\_Determining\\_Material\\_Subsiaries.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Policy_for_Determining_Material_Subsiaries.pdf)
- xii. During the year, the Company has not raised any funds through preferential allotment or qualified institutional placement.
- xiii. A certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this Report.
- xiv. There is no such instance where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required.
- xv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ company of which statutory auditor is part is ₹1.11 crore (excluding GST).
- xvi. The Company and its subsidiaries have not given any loans and advances to firms/companies in which directors are interested.
- xvii. Pursuant to Clause 5A of para A of Part A of Schedule III, there is no agreement which impacts management or control of the Company or imposes any restriction or creates any liability upon the Company.

## 9. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers, conducting investor calls and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and the Registrar of Companies. The Quarterly Financial Results are published in prominent daily newspapers viz., "Business Standard" and "Desh Sewak". The Financial Results of the Company are also made available at the Company's website [www.vardhman.com](http://www.vardhman.com).

## GENERAL INFORMATION FOR SHAREHOLDERS

### i) 52<sup>nd</sup> Annual General Meeting:

Date	: 24 <sup>th</sup> September, 2025
Time	: 11:15 a.m.
Venue	: Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

### ii) Financial Calendar 2025-26 (Tentative)

First Quarter Results	: July, 2025
Second Quarter Results	: October, 2025
Third Quarter Results	: January, 2026
Annual Results	: May, 2026

### iii) Record Date : 12<sup>th</sup> September, 2025

### iv) Dividend payment date : Within 30 days after declaration

### v) Listing :

The securities of the Company are listed on the following Stock Exchanges: -

1. BSE Limited, Mumbai (BSE), 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.
2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai.

Listing fees, as applicable, has been duly paid to both of the aforesaid Stock Exchanges.

### vi) Information regarding Dividend Payment:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') dividends not encashed/ claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Dividends remaining unpaid/unclaimed upto the Financial Year 2016-17 have been transferred to the Investor Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2017-18 is due for remittance in the month of November, 2025 to IEPF.

The 'IEPF Rules' mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF Authority. In accordance with the said IEPF Rules, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. Thereafter, the shares of these Members were transferred to the IEPF and necessary e-form(s) in this regard were filed with MCA.

The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend

from the Authority by following the required procedure. Members are requested to get in touch with the Nodal Officer/Compliance Officer for further details on the subject at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

### vii) Registrar & Transfer Agent:

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Alankit Assignments Limited at the address given below: -

M/s. Alankit Assignments Limited,  
 (Unit: Vardhman Textiles Limited)  
 205-208, Anarkali Complex, Jhandewalan Extension,  
 New Delhi - 110 055.  
 Phone: (011) 42541234/42541956, Fax: (011) 42541201,  
 E-mail: [rta@alankit.com](mailto:rta@alankit.com)

### viii) Share Transfer System:

The Members may note that SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019. Further, in terms of Regulations 39 and 40(1) of the SEBI Listing Regulations, as amended from time to time, and SEBI Circular dated 25<sup>th</sup> January, 2022, it has been made mandatory for the listed entity to issue shares/ securities, within the prescribed time, in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities etc. Accordingly, shareholders are advised to open their demat account with any Depository Participants (DPs) having registration with SEBI.

The Company has delegated the power of approval of transfer, transmission, transposition, dematerialization and other related matters to M/s. Alankit Assignments Limited, the Registrar and Share Transfer Agent of the Company, subject to approval by the Share Transfer Committee of the Board of Directors of the Company. Further, transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company.

**ix) Distribution of Shareholding as on 31<sup>st</sup> March, 2025:**

RANGE No. of Shares	SHAREHOLDERS		SHARES	
	Numbers of Total Holders	% to Total Holders	Numbers of Shares Held	% to Total Shares
Upto-500	64,108	82.80	76,18,957	2.63
501-1000	8,254	10.66	56,54,865	1.96
1001-2000	2,830	3.65	39,66,648	1.37
2001-3000	837	1.08	21,01,535	0.73
3001-4000	310	0.40	10,97,310	0.38
4001-5000	245	0.32	11,26,839	0.39
5001-10000	385	0.50	27,08,780	0.94
10001- above	456	0.59	26,48,99,866	91.60
<b>Total</b>	<b>77,425</b>	<b>100.00</b>	<b>28,91,74,800</b>	<b>100.00</b>

**x) Dematerialization of shares:**

As on 31<sup>st</sup> March, 2025, 99.43% of the capital comprising 28,75,18,110 shares, out of total of 28,91,74,800 shares, were dematerialized.

**xi) Vardhman Textiles Limited Employee Stock Option Plan 2024:**

During the financial year 2023-24, the Board of Directors of your Company in its meeting held on 24<sup>th</sup> January, 2024 had approved 'Vardhman Textiles Limited Employee Stock Option Plan 2024'. The same has also been approved by the Members through Postal Ballot ended on 10<sup>th</sup> March, 2024. The maximum no. of Options that can be granted under the Scheme are 34,70,097 (i.e. 1.20% of the no. of shares outstanding as on 31<sup>st</sup> March, 2024). Further, the Nomination & Remuneration Committee of the Board of Directors of the Company in its meeting held on 3<sup>rd</sup> April, 2024 has granted 31,75,000 Options to the employees under this Plan. One Option entitles the holder to apply for one equity share of the Company after a vesting period of 1 year from the date of grant.

**xii) List of Credit Ratings:**

The Company has obtained Credit Ratings from CRISIL Limited and India Rating Research during the financial year 2024-25. There has been no revision in the Credit Ratings during the financial year 2024-25. List of all Credit Ratings obtained by the Company during the year is as follows:

Particulars	Rating during FY 2024-25
Long Term Rating	CRISIL AA+/Stable
Short Term Rating	CRISIL A1+
Commercial Papers	CRISIL A1+, IND A1+

**xiii) Plant Location:**

- Vardhman Spinning and General Mills, Chandigarh Road, Ludhiana - 141 010
- Vardhman Apparels, D-295/2, Phase VII, Focal Point, Ludhiana- 141 123
- Arihant Spinning Mills, Industrial Area, Malerkotla - 148 023
- Arisht Spinning Mills, Sai Road, Baddi, Distt. Solan (H.P.) - 173 205
- Auro Spinning Mills, Sai Road, Baddi, Distt. Solan (H.P.) - 173 205
- Auro Textiles, Sai Road, Baddi, Distt. Solan (H.P.) - 173 205
- Auro Weaving Mills, Sai Road, Baddi, Distt. Solan (H.P.) - 173 205
- Vardhman Renova, Sai Road, Baddi, Distt. Solan (H.P.) - 173 205
- Vardhman Spinning Mills, Sai Road, Baddi, Distt. Solan (H.P.) - 173 205

- VMT Spinning Mills, Kalyanpur, Baddi, Dist. Solan (H.P.) – 173 205
- Anant Spinning Mills, New Industrial Area, Mandideep - 462 046
- Vardhman Fabrics, Budhni, Distt. Sehore (M.P.) - 466 445
- Vardhman Fabrics (Power Division), Budhni, Distt. Sehore (M.P.) - 466 445

- Vardhman Yarns, Satlapur, Distt. Raisen (M.P.) - 462 046
- Vardhman Yarns (Power Division), Satlapur, Distt. Raisen (M.P.) - 462 046

**xiv) Address for correspondence:**

Registered office	: Chandigarh Road, Ludhiana-141010
Tel	: 0161-2228943-48
E-mail	: <a href="mailto:secretarial.lud@vardhman.com">secretarial.lud@vardhman.com</a> (Exclusively for redressal of investors' grievances)

## Chairman & Managing Director's Declaration

- A. I, S.P. Oswal, Chairman & Managing Director of Vardhman Textiles Limited declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31<sup>st</sup> March, 2025.

Place: Ludhiana  
Dated: 3<sup>rd</sup> May, 2025

**S.P. Oswal**  
Chairman & Managing Director

- B. I, S.P. Oswal, Chairman & Managing Director of Vardhman Textiles Limited, on behalf of the Board of Directors of the Company, hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

Place: Ludhiana  
Dated: 3<sup>rd</sup> May, 2025

**S.P. Oswal**  
Chairman & Managing Director



## Certificate From Practising Company Secretaries

This is to certify that on the basis of documents verified by us and explanations given to us by the Company, we hereby certify that none of the following directors on the Board of Vardhman Textiles Limited ('the Company') have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any other Statutory Authority:

Sr. No.	Director Identification Number	Name of Director
1.	00121737	Mr. S.P. Oswal
2.	00746409	Mr. Sachit Jain
3.	00746471	Mrs. Suchita Jain
4.	00340459	Mr. Neeraj Jain
5.	09694869	Ms. Sagrika Jain
6.	03049487	Mrs. Harpreet Kang
7.	00004340	Mr. Udeypaul Singh Gill
8.	00512630	Mr. Suresh Kumar
9.	02674215	Mr. Atul Khosla
10.	00051349	Dr. Prem Kumar

This certificate is issued pursuant to Clause 10 (i) of Part C of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Ashok K Singla & Associates**  
Company Secretaries,

Sd/-  
**Ashok Singla**  
Proprietor

Membership No. 2004  
Certificate of Practice No. 1942  
UDIN: F002004G000234852

Date: 3<sup>rd</sup> May, 2025  
Place: Ludhiana

## Corporate Governance Certificate

To  
The Members of  
**Vardhman Textiles Limited**

We have examined relevant records of M/s Vardhman Textiles Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31<sup>st</sup> March, 2025 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended 31<sup>st</sup> March, 2025 as stipulated in the Listing Regulations.

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

For **Ashok K Singla & Associates**  
Company Secretaries,

Sd/-  
**Ashok Singla**  
Proprietor

Membership No. 2004  
Certificate of Practice No. 1942  
UDIN: F002004G000234863

Date: 3<sup>rd</sup> May, 2025  
Place: Ludhiana

# Independent Auditor's Report

To  
 The Members of  
**Vardhman Textiles Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Vardhman Textiles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flow and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the 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 Responsibility 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 made 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 obtained by us is sufficient and appropriate to provide a basis for our audit 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Uncertain income-tax positions - Refer to Notes 2.15, 2.19.1.4, 38(a) and 39 to the standalone financial statement</b></p> <p>The Company has material uncertain income-tax positions including matters under dispute relating to Income Taxes. These matters involve significant management judgement to determine the possible outcome of these disputes.</p>	<p><b>Principal audit procedures performed included the following:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of and performed testing of design, implementation and operating effectiveness of the control established by the Company with regard to uncertain income tax positions.</li> <li>We obtained details of complete income tax matters from the Company's internal tax experts during the year ended March 31, 2025.</li> <li>We involved our internal direct tax experts to challenge the management's underlying assumptions in estimating the tax provisions and possible outcome of the disputes. Our internal direct tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income Taxes.</li> <li>Assessed the adequacy of the disclosures made in the financial statements.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility and sustainability Report, Director's Report including Annexures to the Director's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing,

as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibility 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 the 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- 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.

- 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 except in relation to compliance with the requirement of audit trail as stated in (i)(vi) below.
- The Balance Sheet, the Statement of Profit and Loss including 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.
- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- The modification relating to the maintenance of accounts and other matters connected therewith, is/are as stated in paragraph (b) above.
- With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- 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, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 38 (a) to the standalone financial statements;

- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 38(e) (ii) to the standalone financial statements.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – Refer Note 50 to the standalone financial statements.
- (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 54(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 54(vi) to financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities.
  - Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 54(x) to the standalone financial statements, the Board of Directors of

the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- Based on our examination, which included test checks, the Company has used an accounting software(s) for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s) except –

In respect of one accounting software used for maintenance of purchase, production & sales records, audit trail log was not enabled at the data base level to log any direct changes during the period from April 1, 2024 to September 28, 2024; further the software did not have a feature to log the enabling /disabling of the audit trail (edit log) feature at the application level, accordingly we are unable to comment whether the audit log feature was enabled and operated throughout the year for all relevant transactions and whether there were any instances of audit trail feature tempered with.

Further, during the course of audit, we did not come across any instances of audit trail feature being tempered with. Additionally, the audit trail that was enabled and operated for the year ended March 31, 2025, has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 51 to the financial statements.

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kanav Kumar**  
(Partner)

Place: Noida  
Date: May 03, 2025

(Membership No. 507230)  
(UDIN: 25507230BMOMGP7951)

## Annexure A to the Independent Auditor's Report

Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Vardhman Textiles Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 with reference to standalone financial statements.

### Meaning of Internal Financial Controls with reference to standalone financial statements

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

### Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Place: Noida  
Date: May 03, 2025

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements 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.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kanav Kumar**

(Partner)  
(Membership No. 507230)  
(UDIN: 25507230BMOMGP7951)

## Annexure B to the Independent Auditor's Report

### (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once in every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged for obtaining credit facility extended to the Company as security are held in the name of the Company based on the confirmations directly received by us from "ICICI Bank Limited" (custodian).
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) (a) The inventories other than goods-in-transit were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in- transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification/ alternate procedures performed as applicable, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed and the revised filing by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has not made investments in, provided guarantee or security, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties during the year. The Company has granted unsecured loans to employees during the year, in respect of which:
  - (a) The Company has provided loans to employees and details of which are given below:
 

	Amount in ₹ Crores
A. Aggregate amount of loans granted during the year to Employees:	3.74
B. Balance outstanding as at balance sheet date with Employees	2.69
  - (b) The investments made and the terms and conditions of the grant of all the above-mentioned loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

- (c) In respect of loans granted to employees, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation. There are no interest-bearing loans given by the Company.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount*	Amount paid under protest	Amount unpaid	
				(₹ in Crores)			
Central Excise Laws	Excise Duty	CESTAT	FY 2007-08 to FY 2010-11	0.67	0.02	0.65	
		Up-to Commissioner (Appeals)	FY 2011-12 to FY 2013-14, FY 2017-18, FY 2018-19	0.62	0.02	0.60	
		High Court	FY 2016-17, FY 2017-18, FY 2020-21	3.77	0.19	3.58	
Service Tax Laws	Service Tax	CESTAT	FY 2008-09	0.11	-	0.11	
Sales Tax Laws	Central Sales Tax	Appellate Board	FY 2009-10	0.06	-	0.06	
		State Sales Tax	Appellate Board	FY 2010-11 to FY 2012-13	0.17	0.09	0.08
		Up-to Commissioner (Appeals)	FY 2014-15 to FY 2017-18	0.07	0.02	0.05	
Goods and Service Tax Laws	Goods and Service Tax	Up-to Commissioner (Appeals)	FY 2017-18 to FY 2020-21	1.22	1.16	0.06	
Provident Fund	Provident Fund	High Court	FY 2015-16	0.27	0.11	0.16	

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount*	Amount paid under protest	Amount unpaid
				(₹ in Crores)		
Municipality Corporation Act	Octroi	High Court	FY 1996-97	0.15	-	0.15
Property Tax	Property Tax	High Court	FY 2015-16	1.40	0.70	0.70
Land Acquisition Act	Enhancement of compensation for Industrial Land	Collector Land Acquisition	FY 1991-92	1.47	-	1.47
National Green Tribunal	National Green Tribunal	High Court	FY 2020-21	1.38	-	1.38
Income tax laws	Income tax	CIT(A)	AY 2016-17 to AY 2020-21	228.68	225.40	3.28

\*Amount under dispute/ as per demand orders including interest and penalty wherever quantified in the Order.

The following matters, which have been excluded from the above table, have been decided in favor of the Company but the department has preferred appeals at higher levels. The details are given below:

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved**
				(₹ in Crores)
Income Tax Laws	Income Tax	High Court	AY 2001-02 to AY 2007-08, AY 2009-10 to 2014-15	173.26

\*\*This includes the appeal filed by the departments for which communication of the grounds has not been received, and amounts are considered based on the previous orders of ₹143.72 crores.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2025.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount which is required to be transfer to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and 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) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kanav Kumar**

(Partner)

(Membership No. 507230)

(UDIN: 25507230BMOMGP7951)

Place: Noida  
Date: May 03, 2025

## Balance Sheet

as at March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3A	4,074.92	3,693.35
(b) Capital work-in-progress	3A	251.80	60.78
(c) Right-of-Use Asset	44	8.07	8.24
(d) Intangible assets	3B	7.37	9.18
(e) Financial assets			
(i) Investments	4	1,157.95	1,251.13
(ii) Loans	5	1.21	1.27
(iii) Others financial assets	6	62.36	74.37
(f) Income tax asset (net)	14	76.84	52.28
(g) Other non-current assets	7	202.08	117.51
<b>Total Non-current assets</b>		<b>5,842.60</b>	<b>5,268.11</b>
<b>Current assets</b>			
(a) Inventories	8	3,681.80	4,106.96
(b) Financial assets			
(i) Investments	9	318.49	111.04
(ii) Trade receivables	10	1,288.80	1,205.38
(iii) Cash and cash equivalents	11	52.11	33.00
(iv) Bank balances other than above	11A	32.63	50.70
(v) Loans	12	2.08	2.33
(vi) Other financial assets	13	116.56	123.68
(c) Other current assets	15	564.75	585.24
(d) Assets held-for-sale	15A	-	0.08
<b>Total Current assets</b>		<b>6,057.22</b>	<b>6,218.41</b>
<b>TOTAL ASSETS</b>		<b>11,899.82</b>	<b>11,486.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	57.83	57.83
(b) Other equity	17	9,520.01	8,747.12
<b>Total Equity</b>		<b>9,577.84</b>	<b>8,804.95</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	748.99	413.13
(ii) Lease Liability	19A	0.19	0.18
(iii) Other financial liabilities	19	0.53	0.64
(b) Provisions	20	18.97	17.78
(c) Deferred tax liabilities (Net)	21	278.75	248.75
(d) Other non-current liabilities	22	11.68	13.28
<b>Total Non-current liabilities</b>		<b>1,059.11</b>	<b>693.76</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	488.91	1,376.91
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		48.81	23.77
(b) total outstanding dues of trade payable other than micro enterprises and small enterprises		380.80	293.61
(iii) Other financial liabilities	25	240.11	199.33
(b) Other current liabilities	26	79.60	74.59
(c) Provisions	27	4.56	3.31
(d) Income tax liabilities (net)	14	20.08	16.29
<b>Total Current liabilities</b>		<b>1,262.87</b>	<b>1,987.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,899.82</b>	<b>11,486.52</b>
See accompanying notes to the standalone financial statements	1 - 55		

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kanav Kumar**  
Partner

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

**Rajeev Thapar**  
Chief Financial Officer

For and on behalf of the Board of Directors

**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

Place : Noida  
Date: May 03, 2025

Place : Ludhiana  
Date: May 03, 2025

## Statement of Profit and Loss

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>I Revenue from operations</b>	28	9,587.21	9,298.68
<b>II Other income</b>	29	367.47	333.54
<b>III Total Income (I+II)</b>		<b>9,954.68</b>	<b>9,632.22</b>
<b>IV Expenses :</b>			
Cost of materials consumed	30	5,319.01	5,392.18
Purchases of stock-in-trade	31	4.85	1.62
Changes in inventories of finished goods and work-in-progress	32	(36.17)	99.17
Employee benefits expense	33	867.79	820.61
Finance costs	34	77.02	101.99
Depreciation and amortization	3A, 3B & 44	397.92	398.96
Other expenses	35	2,174.57	2,026.71
<b>Total Expenses</b>		<b>8,804.99</b>	<b>8,841.24</b>
<b>V Profit before tax (III-IV)</b>		<b>1,149.69</b>	<b>790.98</b>
<b>VI Tax expense:</b>	36		
Current tax		240.69	177.44
Deferred tax		29.93	5.91
<b>VII Profit for the year (V-VI)</b>		<b>879.07</b>	<b>607.63</b>
<b>VIII Other Comprehensive Income</b>	17		
A Items that will not be reclassified to profit or loss			
(a) (i) Remeasurements of the defined benefits plans		1.03	4.95
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.26)	(1.25)
(b) (i) Equity instruments through other comprehensive income		0.28	0.14
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.07)	(0.03)
<b>IX Total other comprehensive income</b>		<b>0.98</b>	<b>3.81</b>
<b>X Total comprehensive income for the year (VII+IX)</b>		<b>880.05</b>	<b>611.44</b>
<b>Earnings per equity share (amount in ₹)</b>	42		
(1) Basic		30.40	21.01
(2) Diluted		30.40	21.01
See accompanying notes to the standalone financial statements	1 - 55		

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kanav Kumar**  
Partner

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

**Rajeev Thapar**  
Chief Financial Officer

For and on behalf of the Board of Directors

**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

Place : Noida  
Date: May 03, 2025

Place : Ludhiana  
Date: May 03, 2025

## Statement of Cash Flow

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,149.69	790.98
Adjustments for:		
Interest Expense	58.79	88.84
Fair valuation gain on investment	(91.24)	(84.19)
Subsidy from Government	(1.55)	(1.58)
Interest income	(36.73)	(53.56)
Dividend on investments	(50.54)	(25.22)
Net gain on sale / discarding of property, plant and equipment	(44.17)	(7.39)
(Profit)/Loss on sale of Investments (Net)	(40.94)	(52.54)
Provision no longer required written back (net)	(3.36)	(16.87)
Assets written off	1.82	2.52
Bad debt written off	9.95	0.94
Allowances for expected credit loss (net)	0.61	-
Depreciation and amortisation	397.92	398.96
ESOP provision created	8.52	-
Derivative Financial Instruments	2.48	(2.07)
Provision for compensated absences	8.26	6.32
Changes in working capital:		
<b>Adjustments for (increase) / decrease in operating assets :-</b>		
Trade receivables	(93.98)	(27.24)
Inventories	425.16	(1,794.81)
Loans	0.31	0.16
Other assets (Current)	20.50	(49.70)
Others financial assets (Current)	2.60	2.62
Others financial assets (Non Current)	18.48	0.08
Other assets (Non-current)	(6.17)	(64.21)
<b>Adjustments for increase / (decrease) in operating liabilities :-</b>		
Trade payables	115.57	27.00
Provisions (Current and Non-Current)	(5.82)	(5.47)
Others financial liabilities (Current)	3.02	20.45
Others financial liabilities (Non-Current)	(0.10)	(2.85)
Other liabilities (Non-current)	(0.12)	-
Other liabilities (Current)	5.00	(6.17)
<b>Cash generated from/(used) in operations</b>	<b>1,853.96</b>	<b>(855.00)</b>
Income taxes paid (net of refund received)	(235.25)	(207.45)
<b>Net cash generated from/ (used in) operating activities</b>	<b>1,618.71</b>	<b>(1,062.45)</b>

## Statement of Cash Flow (contd.)

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Investments (Non-Current)	57.27	170.03
Proceeds from/(Purchase) of current investments (net)	(39.38)	851.19
Interest received	13.65	66.80
Payment for purchase of property, plant and equipment, (Including capital work in progress, intangible assets and capital advances)	(1,028.68)	(281.06)
Bank balances not considered as cash and cash equivalents	12.66	265.13
Proceeds from disposal of property, plant and equipment	63.91	9.52
Dividend on subsidiaries, associates and other investments	50.54	25.22
<b>Net cash generated from/ (used in) investing activities</b>	<b>(870.03)</b>	<b>1,106.83</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES*</b>		
Proceeds from equity share capital/share application	-	0.74
Proceeds from borrowings (non-current)	421.13	20.68
Repayment of borrowings (non-current)	(538.81)	(402.16)
Proceeds/Repayment of borrowings (current) (net)	(434.46)	494.66
Dividends on equity share capital paid	(115.59)	(101.39)
Interest Expense	(61.84)	(98.57)
<b>Net cash generated from/ (used in) Financing activities</b>	<b>(729.57)</b>	<b>(86.04)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>19.11</b>	<b>(41.66)</b>
Cash and cash equivalents at the beginning of the year	33.00	74.66
<b>Cash and cash equivalents at the end of the year (A+B+C)</b>	<b>52.11</b>	<b>33.00</b>

\*There are no non cash changes arising from financing activities.

See accompanying notes to the standalone financial statements 1 - 55

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**Kanav Kumar**  
Partner

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

**Rajeev Thapar**  
Chief Financial Officer

**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

Place : Noida  
Date: May 03, 2025

Place : Ludhiana  
Date: May 03, 2025

## Statement of Changes in Equity

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

### a. Equity share capital

Particulars	Amount
<b>Balance as at April 01, 2023</b>	<b>57.82</b>
Issue of equity shares under employee stock option plan (Refer note 45)	0.01
<b>Balance as at March 31, 2024</b>	<b>57.83</b>
Issue of equity shares under employee stock option plan (Refer note 45)	-
<b>Balance as at March 31, 2025</b>	<b>57.83</b>

### b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus				Share options outstanding account	General reserve	Retained earnings	Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debtenture redemption reserve					
<b>Balance at April 1, 2023</b>	<b>0.05</b>	<b>1.64</b>	<b>12.26</b>	<b>51.36</b>	<b>-</b>	<b>0.63</b>	<b>1,461.61</b>	<b>6,707.14</b>	<b>1.48</b>	<b>8,236.17</b>
Profit for the year	-	-	-	-	-	-	-	607.63	-	607.63
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	3.71	0.10	3.81
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611.34</b>	<b>0.10</b>	<b>611.44</b>
Share Application Money received under employee stock options.	0.73	-	-	-	-	-	-	-	-	0.73
Final Equity Dividend for the financial year 2022-23 (Amount ₹3.50 per share)	-	-	-	-	-	-	-	(101.20)	-	(101.20)
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(0.78)	-	-	-	-	-	-	-	-	(0.78)
Securities premium on shares under Employee stock options	-	-	-	1.22	-	-	-	-	-	1.22
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	(0.63)	0.18	-	-	(0.45)
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>1.64</b>	<b>12.26</b>	<b>52.58</b>	<b>-</b>	<b>-</b>	<b>1,461.79</b>	<b>7,217.28</b>	<b>1.58</b>	<b>8,747.13</b>

## Statement of Changes in Equity (contd.)

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and Surplus				Share options outstanding account	General reserve	Retained earnings	Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debtenture redemption reserve					
Profit for the year	-	-	-	-	-	-	-	879.07	-	879.07
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	0.77	0.21	0.98
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>879.84</b>	<b>0.21</b>	<b>880.05</b>
Final Equity Dividend for the financial year 2023-24 (Amount ₹4 per share)	-	-	-	-	-	-	-	(115.67)	-	(115.67)
ESOP provision created	-	-	-	-	8.52	-	-	-	-	8.52
<b>Balance as at March 31, 2025</b>	<b>-</b>	<b>1.64</b>	<b>12.26</b>	<b>52.58</b>	<b>-</b>	<b>8.52</b>	<b>1,461.79</b>	<b>7,981.44</b>	<b>1.79</b>	<b>9,520.01</b>

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kanav Kumar**  
Partner

Place : Noida  
Date: May 03, 2025

For and on behalf of the Board of Directors

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

Place : Ludhiana  
Date: May 03, 2025

**Rajeev Thapar**  
Chief Financial Officer  
Joint Managing Director  
DIN:00746471

**Suchita Jain**  
Vice Chairperson and  
Managing Director  
DIN: 00121737

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 1 GENERAL INFORMATION

Vardhman Textiles Limited (the Company) is a public Company, which was incorporated under the provisions of the Companies Act, 1956 on October 8, 1973 and has its registered office at Chandigarh Road, Ludhiana. The name of the Company at its incorporation was Mahavir Spinning Mills Limited and subsequently changed to Vardhman Textiles Limited on September 5, 2006. The Company is engaged in manufacturing of cotton yarn, synthetic yarn and woven fabric. The Company is listed on two stock exchanges i.e. National Stock Exchange and at Bombay Stock Exchange.

The financial statements were approved for issue in accordance with a resolution of directors on May 3, 2025.

### 2 Material Accounting Policies

#### 2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value,

such as net realisable value in Ind AS 2 or value in use in Ind AS 36 and Ind AS 19 for gratuity and leave encashment purpose.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

#### 2.3 Revenue recognition

Revenue from contracts with customers is recognized when the control of the goods or services is transferred to the customers on satisfaction of distinct performance obligations at the amount of transaction price (net of discounts, rebates etc.), excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Amount disclosed as revenue are net of returns and allowances, trade discounts and rebates.

The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

The Company disaggregates revenue from contracts with customers by nature of goods and service.

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

The revenue in respect of RoDTEP, duty drawback and similar other export benefits is recognized in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

#### 2.3.1 Dividend Income

Dividend on financial assets is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 2.3.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.3.3 Contract balances - Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables that do not contain a significant financing component are measured at transaction price.

### 2.4 Government grants

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 grants recoverable upto financial year 2017-18 are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company had opted to present the grant received/receivable after April 01, 2018 related to assets as deduction from the carrying value of such specific assets.

If the companies, has complied with the conditions attached to the particulars/scheme then, it rightful becomes entitle to the incentives attached to the scheme. Accordingly, such incentive receivable will fall under the definition of financial instruments and will be accounted as a financial assets as per Ind AS 109."

### 2.5 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 those 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 capitalisation.

### 2.6 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 2.7 Employee benefits

#### 2.7.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 2.8 Share-based payment arrangements

#### Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 45.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee option outstanding account.

### 2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 2.9.1 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. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

#### 2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

#### 2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case,

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.9.4 Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

### 2.10 Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

The cost of an item of Property, plant and equipment comprises:

- its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates
- any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The Company has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

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

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

Buildings	3 - 60 years
Plant and Equipment	5 - 40 years
Furniture and Fixtures & Office Equipment	3- 10 years
Vehicles	8 - 10 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. 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.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 2.11 Intangible assets

#### 2.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The Company has elected to continue with the carrying value of all its intangible assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

#### 2.11.2 De-recognition 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, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### 2.11.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer softwares	6 years
Contribution to CETP	5 years
Right to use power lines	5 Years

### 2.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.13 Leases

#### The Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### The Company as a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately.

The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### 2.14 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

In case of by-products at estimated realizable value.

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

### 2.15 Provisions and contingent liabilities

Provisions are recognised 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.

The amount recognised 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).

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.16 Financial instruments

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

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

#### 2.16.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

##### 2.16.1.1 Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Interest income is recognised in profit or loss for instruments measured at Fair value through other comprehensive income (FVTOCI). All other financial assets are subsequently measured at fair value.

##### 2.16.1.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

##### 2.16.1.3 Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make 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. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised 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 profit or loss on disposal of the investments. A financial asset is held for trading if:

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

##### 2.16.1.4 Financial assets at fair value through profit or loss (FVTPL)

Investments 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 investments in equity instruments which are not held for trading.

Debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL/FVTOCI.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

##### 2.16.1.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The Company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

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(All amounts in ₹ crores, unless otherwise stated)

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 2.16.1.6 Derecognition of financial assets

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 2.16.1.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

### 2.16.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### 2.16.2.1 Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 2.16.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 2.16.2.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 2.16.3 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and to manage its exposure to imported raw material price risk including foreign exchange forward contracts and commodities future contracts. Further details of derivative financial instruments are disclosed in note 37.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### 2.16.4 Equity instrument

Equity instrument are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The equity shares of the Company held by it through a trust are presented as deduction from total equity, until they are cancelled or sold.

### 2.17 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 2.18 Assets held for sale

The Company classifies non current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

### 2.19 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the Board of Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

#### 2.19.1 Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### 2.19.1.1 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and future pension increases. 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.

#### 2.19.1.2 Useful lives of depreciable tangible assets and intangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

As at March 31, 2025 management assessed that the useful lives represent the expected utility of the assets to the Company.

#### 2.19.1.3 Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company approves the fair values determined by the Chief Financial Officer of the Company including determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Chief Financial Officer works closely with the qualified external valuers to establish appropriate valuation techniques and inputs to the model.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 37.

#### 2.19.1.4 Contingent Liability

In ordinary course of business, the Company faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

#### 2.19.1.5 Income Tax

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

#### 2.19.1.6 Inventory

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence

available at each reporting date. The future realization of these inventories may be affected by market driven changes.

#### 2.19.1.7 Applicability of new and revised IND AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its standalone financial statements.

#### 2.19.1.8 Government grant receivables

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. As government grant falls under the definition of financial instruments, the Company accounted as a financial assets as per Ind AS 109. As on March 31, 2025, the management, has re-assessed the recoverability of the subsidy receivable from the government and accordingly recognized the provision for expected credit loss (ECL) in view of anticipation of delay in the receipt of TUFF subsidy basis the past experience and ongoing follow-ups/interaction with the authorities, is of the view that the outstanding amount is good and recoverable as on March 31, 2025. Refer Note 6 and 13.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Carrying amount of</b>		
Freehold land	124.03	122.18
Buildings	1,095.85	1,079.20
Plant and equipment	2,810.98	2,450.03
Furniture and fixtures	16.65	14.14
Vehicles	10.86	11.20
Office equipment	16.55	16.60
<b>Total Property, plant and equipment</b>	<b>4,074.92</b>	<b>3,693.35</b>
Capital work-in-progress	251.80	60.78
	<b>4,326.72</b>	<b>3,754.13</b>

Cost or Deemed Cost	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>As at April 01, 2023</b>	<b>117.35</b>	<b>1,383.87</b>	<b>4,780.54</b>	<b>21.59</b>	<b>20.59</b>	<b>66.71</b>	<b>6,390.65</b>
Addition	4.88	18.53	187.64	5.58	2.71	5.67	225.01
Disposal/Adjustments	(0.05)	(3.72)	(11.07)	(0.01)	(2.43)	(0.56)	(17.84)
<b>As at March 31, 2024</b>	<b>122.18</b>	<b>1,398.68</b>	<b>4,957.11</b>	<b>27.16</b>	<b>20.87</b>	<b>71.82</b>	<b>6,597.82</b>
Addition	3.48	64.02	715.93	5.07	2.22	6.04	796.76
Disposal/Adjustments	(1.63)	(1.08)	(62.21)	(0.25)	(2.54)	(1.19)	(68.90)
<b>As at March 31, 2025</b>	<b>124.03</b>	<b>1,461.62</b>	<b>5,610.83</b>	<b>31.98</b>	<b>20.55</b>	<b>76.67</b>	<b>7,325.68</b>
<b>Accumulated depreciation</b>							
<b>As at April 01, 2023</b>	<b>-</b>	<b>273.87</b>	<b>2,175.65</b>	<b>10.93</b>	<b>9.42</b>	<b>50.03</b>	<b>2,519.90</b>
Depreciation	-	46.77	341.13	2.09	1.93	5.69	397.61
Disposal/Adjustments	-	(1.17)	(9.70)	(0.01)	(1.66)	(0.49)	(13.03)
<b>As at March 31, 2024</b>	<b>0.00</b>	<b>319.47</b>	<b>2,507.08</b>	<b>13.01</b>	<b>9.69</b>	<b>55.23</b>	<b>2,904.48</b>
Depreciation	-	46.74	338.38	2.50	1.91	5.95	395.48
Disposal/Adjustments	-	(0.45)	(45.60)	(0.19)	(1.89)	(1.05)	(49.18)
<b>As at March 31, 2025</b>	<b>-</b>	<b>365.76</b>	<b>2,799.86</b>	<b>15.32</b>	<b>9.71</b>	<b>60.13</b>	<b>3,250.78</b>
<b>Carrying amount</b>							
<b>As at April 01, 2023</b>	<b>117.35</b>	<b>1,110.00</b>	<b>2,604.89</b>	<b>10.65</b>	<b>11.19</b>	<b>16.68</b>	<b>3,870.76</b>
Addition	4.88	18.53	187.64	5.58	2.71	5.67	225.01
Disposal/Adjustments	(0.05)	(2.56)	(1.37)	(0.00)	(0.77)	(0.06)	(4.81)
Depreciation	-	(46.77)	(341.13)	(2.09)	(1.93)	(5.69)	(397.61)
<b>As at March 31, 2024</b>	<b>122.18</b>	<b>1,079.20</b>	<b>2,450.03</b>	<b>14.14</b>	<b>11.20</b>	<b>16.60</b>	<b>3,693.35</b>
Addition	3.48	64.02	715.93	5.07	2.22	6.04	796.76
Disposal/Adjustments	(1.63)	(0.63)	(16.60)	(0.06)	(0.65)	(0.14)	(19.71)
Depreciation	-	(46.74)	(338.38)	(2.50)	(1.91)	(5.95)	(395.48)
<b>As at March 31, 2025</b>	<b>124.03</b>	<b>1,095.85</b>	<b>2,810.98</b>	<b>16.65</b>	<b>10.86</b>	<b>16.55</b>	<b>4,074.92</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Notes on property, plant and equipment

- Refer to note 18 (a) for information on property, plant and equipment pledged as security by the Company.
- Buildings includes ₹2.48 Crores (March 31, 2024: ₹2.48 Crores) cost of residential flats at Mandideep, the land cost of which has not been excluded from this cost. The depreciation for the year has been taken on the entire cost.
- The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹76.62 Crores (FY 23-24 ₹22.67 Crores Crores) (related to non cenvatable portion of total duty saved) for financial year 2024-25, such benefit is related to Property, Plant and Equipment and Capital work in progress.
- Also refer Note 2.10 for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015.
- The title deeds of all immovable properties are held in the name of the Company. Where immovable properties are acquired by the Company consequent to acquisition / merger of companies, the title to the immovable properties of the transferee companies shall be deemed to have been mutated in the name of the Company as per the scheme of amalgamation approved by National Company Law Tribunal / Court.
- Capital-work-in progress (CWIP) ageing schedule:
 

Project in progress	Amount in CWIP for a period of:				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025	245.29	4.64	0.22	1.65	251.80
As at March 31, 2024	48.65	2.28	9.68	0.17	60.78
- There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended as at March 31, 2025 and March 31, 2024.
- During the year a portion of land amounting to ₹1.62 crores was acquired under compulsory acquisition by Rail Vikas Nigam Ltd (RVNL) & National Highways Authority of India (NHAI) at a consideration of ₹25.78 crores and ₹3.36 crores respectively.

### 3B Intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Carrying amount of</b>		
Computer Softwares	1.75	1.99
Contribution to Common Effluent Treatment Plant (CETP)	-	-
Right to use power lines	5.62	7.19
	<b>7.37</b>	<b>9.18</b>

Cost or Deemed Cost	Computer Softwares	Contribution to Common Effluent Treatment Plant (CETP)	Right to use power lines	Total
<b>As at April 01, 2023</b>	<b>15.07</b>	<b>0.64</b>	<b>4.57</b>	<b>20.28</b>
Addition	1.20	-	7.84	9.04
Disposal	-	-	-	-
<b>As at March 31, 2024</b>	<b>16.27</b>	<b>0.64</b>	<b>12.41</b>	<b>29.32</b>
Addition	0.45	-	-	0.45
Disposal	(0.08)	-	-	(0.08)
<b>As at March 31, 2025</b>	<b>16.64</b>	<b>0.64</b>	<b>12.41</b>	<b>29.69</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Cost or Deemed Cost	Computer Softwares	Contribution to Common Effluent Treatment Plant (CETP)	Right to use power lines	Total
<b>Accumulated amortisation</b>				
<b>As at April 01, 2023</b>	<b>13.72</b>	<b>0.64</b>	<b>4.56</b>	<b>18.92</b>
Amortisation expenses	0.56	-	0.66	1.22
Disposal	-	-	-	-
<b>As at March 31, 2024</b>	<b>14.28</b>	<b>0.64</b>	<b>5.22</b>	<b>20.14</b>
Amortisation expenses	0.69	-	1.57	2.26
Disposal	(0.08)	-	-	(0.08)
<b>As at March 31, 2025</b>	<b>14.89</b>	<b>0.64</b>	<b>6.79</b>	<b>22.32</b>
<b>Carrying amount</b>				
<b>As at April 01, 2023</b>	<b>1.35</b>	<b>-</b>	<b>0.02</b>	<b>1.37</b>
Addition	1.20	-	7.83	9.03
Disposal	-	-	-	-
Amortisation expenses	(0.56)	-	(0.66)	(1.22)
<b>As at March 31, 2024</b>	<b>1.99</b>	<b>-</b>	<b>7.19</b>	<b>9.18</b>
Addition	0.45	-	-	0.45
Disposal	-	-	-	-
Amortisation expenses	(0.69)	-	(1.57)	(2.26)
<b>As at March 31, 2025</b>	<b>1.75</b>	<b>-</b>	<b>5.62</b>	<b>7.37</b>

Note: These intangible assets are not internally generated  
Also refer Note 2.11.1 for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

### 4 Investments (Non Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>TRADE INVESTMENTS (at cost/carrying value)</b>		
<b>Financial assets carried at cost</b>		
<b>a. Investment in equity instruments</b>		
<b>(i) Investment in subsidiaries (quoted)</b>		
5,68,51,144 (March 31, 2024: 5,68,51,144) Equity shares of ₹10 each fully paid up of Vardhman Acrylics Limited	53.15	53.15
<b>(ii) Investment in wholly owned subsidiary (unquoted)</b>		
40,00,000 (March 31, 2024: 40,00,000) Equity shares of ₹10 each fully paid up of VTL Investments Limited	4.04	4.04
<b>(iii) Investment in Associates</b>		
<b>Quoted</b>		
1,94,16,666 (March 31, 2024: 1,94,16,666) Equity shares of ₹10 each fully paid up of Vardhman Special Steels Limited	25.24	25.24
<b>Unquoted</b>		
62,69,699 (March 31, 2024: 62,69,699) Equity shares of ₹10 each fully paid up of Vardhman Yarns & Threads Limited	27.50	27.50
25,000 (March 31, 2024 : 25,000) Equity shares of ₹10 each fully paid-up of Vardhman Spinning and General Mills Limited	0.03	0.03

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets measured at fair value through other comprehensive income</b>		
<b>(i) Investment in equity instruments (unquoted)</b>		
41,000 (March 31, 2024: 41,000) Equity-Shares of ₹10 each fully paid-up of Shivalik Solid Waste Management Limited (Section 8 Company)	0.17	0.16
1,40,625 (March 31, 2024: 1,40,625) Equity shares of ₹10 each fully paid-up of Nimbua Greenfield (Punjab) Limited	2.36	2.11
2,225 (March 31, 2024: 2,225) Equity shares of ₹10 each fully paid-up of Devakar Investment & Trading Company Private Limited	0.27	0.25
<b>Other Investments:-</b>		
<b>Financial assets measured at fair value through Profit and loss</b>		
<b>(i) Investment in Bonds/ Preference shares/ Debentures/Mutual Funds (quoted)</b>		
**6,660 (March 31, 2024 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of ₹7,500 each fully paid of IL&FS Financial Services Limited	-	-
**10,000 (March 31, 2024:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹7,500 each fully paid of Infrastructure Leasing & Financial Services Limited	-	-
NIL (March 31, 2024 : 4,77,412.00) units of ₹1,000 each of Bharat Bond ETF APRIL 2025	-	57.16
11,98,61,898.919 (March 31, 2024: 11,98,61,898.919) units of ₹10 each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - Apr 2026 50:50 Index Fund - Direct Plan Growth	153.37	142.31
2,49,98,750.062 (March 31, 2024: 2,49,98,750.062) units of ₹10 each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth Plan	30.98	28.66
3,49,98,250.087 (March 31, 2024: 3,49,98,250.087) units of ₹10 each of Kotak FMP Series 292 - Direct Plan Growth	43.40	40.19
4,99,97,500.120 (March 31, 2024: 4,99,97,500.12) units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 49 (1,823 Days) - Direct Plan Growth	61.89	57.22
2,49,98,750.062 (March 31, 2024: 2,49,98,750.062) Units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 46 (1,850 Days) Direct Plan Growth	31.28	28.99
NIL (March 31, 2024: 4,99,97,500.125) units of ₹10 each of SBI FMP Series 41 - 1,498 Days -Direct Plan Growth	-	58.70
2,99,98,500.075 (March 31, 2024: 2,99,98,500.075) units of ₹10 each of SBI FMP Series 42 - 1,857 Days -Direct Plan Growth	38.15	35.38
3,49,27,229.892 (March 31, 2024:3,49,27,229.892) units of ₹10 each of Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct plan- Growth (erstwhile IDFC Gilt 2027 Index Fund Direct Plan- Growth)	44.36	40.99
8,28,86,002.658 (March 31, 2024: 8,28,86,002.658) units of ₹10 each of SBI CPSE Bond Plus SDL Sep 2026- 50:50 Index Fund Direct Plan Growth	99.88	92.56
1,25,00,000 (March 31, 2024: 1,25,00,000) units of ₹100 each of Nippon India ETF Nifty SDL - 2026 Maturity Growth	161.45	149.75
NIL (March 31, 2024: 4,98,39,012.067) units of ₹10 each of Edelweiss CRISIL PSU Plus SDL- 50:50 Oct 2025 Index Fund - Direct Plan Growth	-	55.36
4,79,18,783.305 (March 31, 2024 : 4,79,18,783.305) units of ₹10 each of TATA NIFTY SDL PLUS AAA PSU BOND DEC 2027 60:40 Index Fund - Direct Plan- Growth	58.33	53.80
14,55,82,797.441 (March 31, 2024 :14,55,82,797.441) units of ₹10 each of Aditya Birla Sun Life CRISIL IBX 60:40 SDL +AAA PSU - APR 2027 Index Fund Direct Growth	174.28	161.17

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
9,67,53,749.637 (March 31, 2024 : 9,67,53,749.637) units of ₹10 each of Kotak Nifty SDL APR 2027 top 12 Equal Weighted Index Fund Direct Plan - Growth	116.50	107.43
24,998,750.062 (March 31, 2024:24,998,750.062) units of ₹10 each of Aditya Birla Sunlife Fixed Term Plan Series-TI (1,837 Days) -Direct Growth	31.32	28.98
	<b>1,157.95</b>	<b>1,251.13</b>
1. Aggregate book value of quoted investments	1,123.59	1,217.04
2. Aggregate Market Value of quoted investments	1,662.24	1,771.56
3. Aggregate carrying value of unquoted investments	34.36	34.09

\*Refer Note 37

\*\*Investment in preference shares of IL&FS group companies aggregating to ₹24.99 crores. In view of the uncertainty prevailing with respect to recovery of the investment value from the IL&FS group, the Management has measured such investments at ₹NIL (March 31,2024 ₹NIL).

### 5 Loans (Non Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost</b>		
Loan to employees (unsecured considered good)	1.21	1.27
	<b>1.21</b>	<b>1.27</b>

### 6 Other Financial Assets (Non Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost (unsecured considered good unless otherwise stated)</b>		
Fixed Deposits with banks having more than twelve months maturity	2.25	2.25
Earmarked Deposits with banks	18.06	12.65
Interest Receivable	1.99	0.93
Government Grant Receivable**	55.31	58.01
Less: allowance for expected credit loss	(15.79)	-
Other Recoverable	0.54	0.53
	<b>62.36</b>	<b>74.37</b>

\*Refer Note 37

\*\*Refer Note 52

### 7 Other Non Current Assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non Financial Assets at amortized cost (unsecured considered good unless otherwise stated)</b>		
Capital advances	118.28	39.88
Balance with government authorities	6.60	6.59
Prepaid (Deferred) Expense for employee benefit	0.07	0.07
Security deposits	74.38	67.68
Prepaid expenses-others	2.75	3.29
	<b>202.08</b>	<b>117.51</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 8 Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
(at cost or net realisable value, whichever is lower)		
Raw materials*	2,593.52	3,014.87
Work-in-progress	232.67	233.54
Finished Goods	733.46	696.42
Stores and Spares*	122.15	162.13
	<b>3,681.80</b>	<b>4,106.96</b>
*above items include goods in transit as per below		
Raw materials	316.86	67.01
Stores and Spares	9.72	9.43
	<b>326.58</b>	<b>76.44</b>

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹5,319.06 Crores (March 31, 2024: ₹5,392.19 Crores)

(ii) Refer to Note 18(a) and 23 for information on inventories pledged as security by the Company.

(iii) The method of valuation of inventories has been stated in note 2.14.

### 9 Other Investments (Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets measured at fair value through Profit and loss</b>		
<b>(i) Investment in Liquid Funds (Quoted)</b>		
4,99,97,500.125 (March 31, 2024: NIL) units of ₹10 each of SBI FMP Series 41 - 1,498 Days -Direct Plan Growth	62.88	-
54,118.33 (March 31, 2024 : NIL) units of ₹10 each of TATA Money Market Fund Plan - Growth	25.52	-
1,27,167 (March 31, 2024 :NIL) units of ₹10 each of SBI Liquid Fund Direct Growth	51.58	-
1,00,18,972.192 (March 31, 2024 : NIL) units of ₹10 each of Bandhan Money Manager Fund	42.88	-
73,49,039.779 (March 31, 2024 : NIL) units of ₹10 each of HDFC Arbitrage Fund-Direct Growth	14.57	-
4,98,39,012.067 (March 31, 2024 : NIL) units of ₹10 each of Edelweiss CRISIL PSU Plus SDL OCT 2025 Index Fund	59.51	-
NIL (March 31, 2024 :156875.919) units of ₹10 each of HDFC Overnight Fund - Direct Plan- Growth Option	-	55.74
4,77,412.00 (March 31, 2024 : NIL) units of ₹1,000 each of Bharat Bond ETF APRIL 2025	61.55	-
NIL (March 31, 2024: 46,00,000) units of ₹100 each of Nippon India ETF Nifty CPSE Bond plus SDL Sep 2024 Maturity	-	55.30
	<b>318.49</b>	<b>111.04</b>
1. Aggregate amount of quoted investments	318.49	111.04
2. Aggregate market value of quoted investments	318.49	111.04
3. Aggregate carrying value of unquoted investments	-	-

\* Refer note 37



## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 10 Trade receivables\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Receivable from related parties (Refer Note 46)</b>		
- Unsecured, considered good	0.01	0.14
<b>Receivable from others</b>		
- Secured, considered good	-	-
- Unsecured considered good	1,288.79	1,205.24
- Significant increase in Credit risk	3.36	18.54
- Credit impaired	-	-
Less:- Allowances for expected credit loss	(3.36)	(18.54)
	<b>1,288.80</b>	<b>1,205.38</b>

(i) The credit period allowed on sales generally vary, on case to case basis, business to business, based on market conditions, maximum credit period allowed is 45 days (FY 2023-24 - 45 days) in case of domestic yarn and 90 days (FY 2023-24 - 90 days) in case of domestic fabric and garments. In case of exports, maximum credit period of 120 days (FY 2023-24 - 120 days) against letter of credit is provided.

(ii) There are no major customers that represent more than 10% of total balances of trade receivables.

#### (iii) Ageing of allowance of expected credit loss

Particulars	Expected Credit Loss	
	As at March 31, 2025	As at March 31, 2024
Less than 180 days	-	-
More than 180 days	3.36	18.54
	<b>3.36</b>	<b>18.54</b>

#### (iv) Age of Receivables:

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(a) Undisputed Trade receivables – considered good</b>		
Less than 6 months	1,284.39	1,199.91
6 months to 1 year	0.70	3.59
1 to 2 years	0.42	0.53
2 to 3 years	0.02	0.10
More than 3 years	0.01	0.14
	<b>1,285.54</b>	<b>1,204.27</b>
<b>(b) Undisputed Trade Receivables – which have significant increase in credit risk</b>		
Less than 6 months	-	-
6 months to 1 year	0.66	1.01
1 to 2 years	0.94	0.00
2 to 3 years	2.03	9.24
More than 3 years	0.49	6.81
	<b>4.12</b>	<b>17.06</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(c) Disputed Trade receivables – considered good</b>		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	1.11	1.11
	<b>1.11</b>	<b>1.11</b>
<b>(d) Disputed Trade Receivables – which have significant increase in credit risk</b>		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	1.39	1.39
	<b>1.39</b>	<b>1.39</b>

#### (v) Movement in expected credit loss allowance

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	18.54	18.54
Reversal of provision during year	(15.18)	-
Provision provided during the year	-	-
<b>Balance at the end of the year</b>	<b>3.36</b>	<b>18.54</b>

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

\* Refer note 37

### 11 Cash and cash equivalents\*

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
a) Balances with banks		
- In current accounts	51.93	32.69
b) Cheques in hand	0.07	0.19
c) Cash in hand	0.11	0.12
	<b>52.11</b>	<b>33.00</b>

\*Refer note 37

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 11A Bank Balances other than Cash and cash equivalents\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>a) Other bank balances</b>		
- Earmarked balances with banks#	40.46	33.45
- Deposits with more than twelve months maturity	2.25	2.25
- Deposits with more than three months but less than twelve months maturity	10.23	29.90
	<b>52.94</b>	<b>65.60</b>
Less: Amounts disclosed as other financial non current assets (Refer note 6)	20.31	14.90
	<b>32.63</b>	<b>50.70</b>

#Earmarked balances with banks includes ₹2.80 crores (March 31, 2024: ₹2.72 crores) pertaining to dividend accounts with banks and ₹18.38 crores (March 31, 2024: ₹20.56 crores) pledged with government authorities, banks and others. Also includes ₹19.28 crores (March 31, 2024: ₹10.17 crores) pertaining to balances in unspent CSR accounts.

\*Refer note 37

### 12 Loans (Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost</b>		
(Unsecured and considered good, unless otherwise stated)		
Loan to employees	2.08	2.33
	<b>2.08</b>	<b>2.33</b>

\* Refer note 37

### 13 Other financial assets (Current)\*\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Recoverable from related parties (Refer Note 46)	0.02	0.02
Interest receivable	0.56	5.08
Claims receivable	0.01	0.01
Other Recoverable***	85.97	116.50
Receivable from Asset Management Company	30.00	-
<b>Financial assets at Fair value through Profit and loss</b>		
Derivative Financial Instruments*	-	2.07
	<b>116.56</b>	<b>123.68</b>

\*The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risk including foreign exchange forward contracts. Also refer note 29.

\*\*Refer note 37

\*\*\*Refer Note 53

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 14 Income Tax

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Income tax asset (net)</b>		
Income tax receivable (net)	76.84	52.28
<b>Income tax liabilities (net)</b>		
Income tax payable (net)	20.08	16.29

### 15 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Amount recoverable from Mahavir Share Trust in respect of shares Held in Trust*	4.66	4.65
Advances to suppliers	167.71	83.33
Balance with government authorities	348.14	434.73
Prepaid (Deferred) expense for employee benefit	0.03	0.03
Gratuity Trust	-	1.02
Prepaid expenses others	4.08	6.59
Other recoverable	40.13	54.89
	<b>564.75</b>	<b>585.24</b>

\*Refer Note 40

### 15A Assets Held for sale

Particulars	As at March 31, 2025	As at March 31, 2024
Property Plant and Equipment held for Sale	-	0.08
	<b>-</b>	<b>0.08</b>

During the previous year the Company intended to dispose off a flat, it no longer utilised in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale as at March 31, 2024 as the Company expected that sale consideration less costs to sell was higher than the carrying amount. Also the Company had received advance of ₹3.92 Crore as on March 31, 2024 shown in other current liabilities against sale of these assets (Refer Note 26). The said sale has been completed during the current year.

### 16 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised share capital:</b>		
71,50,00,000 equity shares of ₹2 each (March 31, 2024: 71,50,00,000 equity shares of ₹2 each)	143.00	143.00
2,00,00,000 redeemable cumulative preference shares of ₹10 each (March 31, 2024: 2,00,00,000 redeemable cumulative preference shares of ₹10 each)	20.00	20.00
1,40,00,000 Non cumulative convertible preference shares of ₹10 each (March 31, 2024: 1,40,00,000)	14.00	14.00
	<b>177.00</b>	<b>177.00</b>
<b>Issued, subscribed and fully paid up share capital comprises:</b>		
28,91,74,800 equity shares of ₹2 each (March 31, 2024: 28,91,74,800 equity shares of ₹2 each)	57.83	57.83
	<b>57.83</b>	<b>57.83</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 16.1 Rights, preference and restriction attached to equity shares

The Company has one class of equity shares having a par value of ₹2/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 16.2 Rights, preference and restriction attached to preference shares

The rate of dividend on preference shares will be decided by the Board of Directors as and when issued. Preferential shares as and when issued shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment on amount of capital.

**16.3** As per Employee Stock Options Scheme 2024, during the current year the Company has granted equity options of 31,75,000 having face value of ₹2 per share out of which 2,70,000 options lapsed due to resignation and retirement of eligible members.  
\*Refer Note 45

### 16.4 Reconciliation of number of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	28,91,74,800	57.83	28,91,27,050	57.82
Add: Issue of equity shares under employee stock option plan (Refer note 45)	-	-	47,750	0.01
<b>Balance as at the end of the year</b>	<b>28,91,74,800</b>	<b>57.83</b>	<b>28,91,74,800</b>	<b>57.83</b>

### 16.5 Details of shares held by the holding Company

There is no Holding / Ultimate Holding Company of the Company

### 16.6 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% holding	Number of shares	% holding
Vardhman Holdings Limited	8,34,37,034	28.85%	8,31,70,317	28.76%
Adishwar Enterprises LLP	5,15,94,315	17.84%	5,15,94,315	17.84%
Devakar Investment and Trading Company Private Limited	3,16,87,790	10.96%	3,16,87,790	10.96%
HDFC Mutual Fund	2,16,11,672	7.47%	2,16,11,672	7.47%

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 16.7 Details of Shares held by promoters at the end of the year

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Vardhman Holdings Limited	8,34,37,034	28.85%	0.09%	8,31,70,317	28.76%	0.28%
Adishwar Enterprises LLP	5,15,94,315	17.84%	0.00%	5,15,94,315	17.84%	0.00%
Devakar Investment & Trading Company Private Limited	3,16,87,790	10.96%	0.00%	3,16,87,790	10.96%	0.00%
VTL Investments Limited	46,61,745	1.61%	0.00%	46,61,745	1.61%	0.00%
Shri Paul Oswal	29,87,955	1.03%	0.00%	29,87,955	1.03%	0.00%
Flamingo Finance & Investment Company Limited	26,64,795	0.92%	0.00%	26,64,795	0.92%	0.00%
Santon Finance & Investment Company Limited	22,81,650	0.79%	0.00%	22,81,650	0.79%	0.00%
Ramaniya Finance & Investment Company Limited	21,21,170	0.73%	0.00%	21,21,170	0.73%	0.00%
Suchita Jain	12,22,120	0.42%	0.00%	12,22,120	0.42%	0.00%
Shakun Oswal	6,93,075	0.24%	0.00%	6,93,075	0.24%	0.00%
Shri Paul Oswal, Partner, Paras Syndicate	5,74,875	0.20%	0.00%	5,74,875	0.20%	0.00%
Shri Paul Oswal, Partner, Northern Trading Company	5,63,295	0.19%	0.00%	5,63,295	0.19%	0.00%
Mahavir Spinning Mills Private Limited	4,94,720	0.17%	0.00%	4,94,720	0.17%	0.00%
Shri Paul Oswal, Partner, Amber Syndicate	3,89,240	0.13%	0.00%	3,89,240	0.13%	0.00%
Shakun Oswal, Partner, Eastern Trading Company	2,66,430	0.09%	0.00%	2,66,430	0.09%	0.00%
Soumya Jain	41,015	0.01%	0.00%	41,015	0.01%	0.00%
Sagrika Jain	34,925	0.01%	0.00%	34,925	0.01%	0.00%

### 17 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Share application money pending allotment	-	-
Capital reserve	1.64	1.64
Capital redemption reserve	12.26	12.26
Security premium	52.58	52.58
Debenture redemption reserve	-	-
Share options outstanding account	8.52	-
General reserve	1,461.78	1,461.78
Retained earnings	7,981.44	7,217.28
Equity instrument through other comprehensive income	1.79	1.58
	<b>9,520.01</b>	<b>8,747.12</b>

## Notes to Standalone Financial Statement

for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 17 Other equity (contd.)

Particulars	Reserves and Surplus							Item of other comprehensive income	Total	
	Share application money pending allotment	Capital reserve	Capital redemption reserve	Security premium	Debtore redemption reserve	Share options outstanding account	General reserve			Retained earnings
<b>Balance at April 01, 2023</b>	0.05	1.64	12.26	51.36	-	0.63	1,461.61	6,707.14	1.48	<b>8,236.17</b>
Profit for the year	-	-	-	-	-	-	-	607.63	-	607.63
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	3.71	0.10	3.81
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	<b>611.34</b>	<b>0.10</b>	<b>611.44</b>
Share Application Money received under employee stock options.	0.73	-	-	-	-	-	-	-	-	0.73
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(0.78)	-	-	-	-	-	-	-	-	(0.78)
Final equity dividend for the financial year 2022-23 (Amount ₹3.50 per share)	-	-	-	-	-	-	-	(101.20)	-	(101.20)
Securities premium on shares under Employee stock options	-	-	-	1.22	-	-	-	-	-	1.22
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	(0.63)	0.18	-	-	(0.45)
<b>Balance at March 31, 2024</b>	-	1.64	12.26	52.58	-	-	1,461.78	7,217.28	1.58	<b>8,747.12</b>

## Notes to Standalone Financial Statement

for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 17 Other equity (contd.)

Particulars	Reserves and Surplus							Item of other comprehensive income	Total	
	Share application money pending allotment	Capital reserve	Capital redemption reserve	Security premium	Debtore redemption reserve	Share options outstanding account	General reserve			Retained earnings
Profit for the year	-	-	-	-	-	-	-	879.07	-	879.07
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	0.77	0.21	0.98
Total comprehensive income for the year	-	-	-	-	-	-	-	879.84	0.21	880.05
ESOP provision created	-	-	-	-	-	8.52	-	-	-	8.52
Final equity dividend for the financial year 2023-24	-	-	-	-	-	-	-	(115.68)	-	(115.68)
<b>Balance at March 31, 2025</b>	-	1.64	12.26	52.58	-	8.52	1,461.78	7,981.44	1.79	<b>9,520.01</b>

#### a. Share application money pending allotment

It represents money received from senior employees under the Company's employee share option scheme.

#### b. Capital reserve

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Company.

#### c. Capital redemption reserve

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares.

#### d. Securities premium

Securities premium represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

#### e. Debtore redemption reserve

The Company has issued non convertible debentures in Financial Year 2017-18 and as per the provisions of the Companies Act, 2013, it was required to create debenture redemption reserve out of the profits available for payment of dividend. The company has discontinued creation of DRR as per MCA notification no.464 dated August 16, 2019. During the previous year company had transferred the amount of debenture redemption reserve to general reserve pursuant to redemption of debentures.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 17 Other equity (contd.)

#### f. Share options outstanding account

Company has approved employee share option scheme under which equity shares of Company are allotted to eligible employees as per the terms and conditions contained in the scheme. The amount is recognised based on the value of equity-settled share-based payments.

#### g. General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### h. Retained earnings

Retained earnings represents amount that can be distributed by the Company to its equity shareholders which is determined based on the financial statements of the Company and also considering the requirements of the Companies Act 2013.

#### i. Equity instrument through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

### 18 Borrowings (Non Current)

#### a) Term loans (Secured - at amortised cost)\*\*

Particulars	As at March 31, 2025	As at March 31, 2024
**From banks*	834.51	952.19
Less: Current maturities (refer note-23)	85.52	539.06
<b>Total</b>	<b>748.99</b>	<b>413.13</b>

\*Net of unamortized processing charges: March 31, 2025: ₹0.18 crores (March 31, 2024 ₹0.42 crores)

\*\*Includes External Commercial borrowing from Citi bank amounting to ₹ NIL (March 31, 2024 ₹33.36 Crores)

Term Loans	Nature of Security
1) Term Loan from Bank amounting to ₹62.72 Cr. (March 31, 2024: ₹63.36 Cr.)	<b>Primary Security:-</b>
2) Term Loan from Bank amounting to ₹232.29 Cr. (March 31, 2024: ₹241.22 Cr.)	(a) First Pari Passu hypothecation charge over Movable Fixed Assets (MFA) present as well as future of the company.
3) Term Loan from Bank amounting to ₹7.31 Cr. (March 31, 2024: ₹36.57 Cr.)	(b) Pari Passu charge by the way of equitable mortgage of Immovable Fixed Assets present as well as future of the company.
4) Term Loan from Bank amounting to ₹111.25 Cr. (March 31, 2024: ₹115.22 Cr.)	
1) Term Loan from Bank amounting to ₹28.28 Cr. (March 31, 2024: Nil)	<b>Primary Security:-</b>
2) Term Loan from Bank amounting to ₹392.86 Cr. (March 31, 2024: Nil)	(a) First Pari Passu hypothecation charge over Movable Fixed Assets (MFA) present as well as future of the company except Punjab based movable fixed assets.
	(b) Pari Passu charge by the way of equitable mortgage of Immovable Fixed Assets present as well as future of the company except Punjab based Immovable fixed assets.

(b) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 18 Borrowings (Non Current) (contd.)

#### (c) Terms of repayment of loan/debentures

Loan Category	Frequency of principal repayments	Interest rate	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Total
Term loans	Quarterly Payments	7.25% to 7.95%	22.80	174.70	167.96	68.08	150.78	180.19	7.47	771.98
Term loans	Bullet Payments	7.61% to 7.71%	62.72	-	-	-	-	-	-	62.72
			<b>85.52</b>	<b>174.70</b>	<b>167.96</b>	<b>68.08</b>	<b>150.78</b>	<b>180.19</b>	<b>7.47</b>	<b>834.70</b>

(d) Also refer note 37 for fair value disclosures.

(e) For specific purpose borrowings from banks, Company has utilized the funds for specific purpose for which it was taken.

### 19 Other financial liabilities (Non Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial liabilities at amortized cost</b>		
Retention money	0.53	0.64
	<b>0.53</b>	<b>0.64</b>

\* Refer note 37

### 19A Lease liabilities (Non Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial liabilities at amortized cost</b>		
Lease Liability (Refer Note 44)	0.19	0.18
	<b>0.19</b>	<b>0.18</b>

### 20 Provisions (Non Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits :</b>		
- Compensated Absences (Refer note 47)	18.97	17.78
	<b>18.97</b>	<b>17.78</b>

The provision for employee benefits include annual leave and vested long service leave entitlement accrued of employees.

### 21 Deferred tax liabilities (net)\*

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities	295.27	261.27
Deferred tax assets	(16.52)	(12.52)
	<b>278.75</b>	<b>248.75</b>

\* Refer note 36

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 22 Other non-current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Income for Capital subsidy	9.99	11.47
Due to employees	0.27	0.50
Other	1.42	1.31
<b>Total</b>	<b>11.68</b>	<b>13.28</b>

The deferred revenue arises as a result of the benefits received from state government on account of installation of specified project assets whereby such grant is treated as deferred income and is recognized as income over the useful life of the assets for which such grant is received. W.e.f April 1, 2018 the Company has opted to deduct such grant from the carrying value of the specific asset (Also refer Note 3A).

### 23 Borrowings (Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Loans repayment on demand/ Bank Overdraft</b>		
- Banks (secured at amortised cost)	378.75	816.27
<b>Current Maturities of Long term borrowings</b>		
- Term Loans (secured at amortised cost)	85.52	539.06
<b>Short term borrowings (unsecured)</b>	24.64	21.58
<b>Total</b>	<b>110.16</b>	<b>560.64</b>
<b>Total Borrowings</b>	<b>488.91</b>	<b>1,376.91</b>

#### Details of security for working capital borrowings

Working capital borrowings from banks are secured as follows:-

- 1<sup>st</sup> pari passu charge :-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).
- 2<sup>nd</sup> pari passu charge:-Hypothecation of entire fixed assets of the company (both present and future) including equitable mortgage.

### 24 Trade payables\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	48.81	23.77
- Total outstanding dues of other than micro enterprises and small enterprises	379.66	291.88
Due to related parties (Refer Note 46)	1.14	1.73
<b>Total</b>	<b>429.61</b>	<b>317.38</b>

\* Refer note 37

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Ageing of Trade payables:

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) MSME:</b>		
Less than 1 year	48.81	23.77
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>48.81</b>	<b>23.77</b>
<b>(ii) Others:</b>		
Less than 1 year	356.37	259.89
1-2 years	13.07	26.96
2-3 years	6.18	2.96
More than 3 years	5.18	3.80
	<b>380.80</b>	<b>293.61</b>

### 25 Other financial liabilities (Current)\*\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial liabilities at amortized cost</b>		
Interest accrued but not due on borrowings	4.04	6.73
Other payables		
- Retention money	9.00	7.91
- Security deposits	4.12	6.62
- Expense payable	33.37	38.52
Payables for purchase of fixed assets		
- Total outstanding dues of micro enterprises and small enterprises	2.76	0.70
- Total outstanding dues of other than micro enterprises and small enterprises	56.42	20.53
Due to employees	127.92	118.32
<b>Financial liabilities at Fair value through Profit and loss</b>		
Derivative Financial Instruments*	2.48	-
<b>Total</b>	<b>240.11</b>	<b>199.33</b>

\*Balance represents mark to market loss on currency derivative financial instruments to manage Company's exposure to foreign exchange rate risk. Also refer note 35 and 37.

\*\*Refer note 37

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 26 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory remittances*	27.49	24.72
Deferred Income for Capital subsidy	1.49	1.56
Unpaid dividends**	2.80	2.72
Advances from customers (Contract Liabilities)#	31.56	38.43
Other Liabilities	12.36	3.24
Gratuity Trust	3.90	-
Advance against Sale of Property Plant and Equipment	-	3.92
<b>Total</b>	<b>79.60</b>	<b>74.59</b>

\*Statutory remittances includes contribution to Provident Fund, Employee State Insurance Corporation, Tax Deducted/ Collected at Source, Goods and Services Tax etc.

\*\*Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund (Refer Note 50).

#Advance from customers is recognised when payment is received before the related performance is satisfied.

### Movement of advance from customers

Particulars	As at March 31, 2025	As at March 31, 2024
As at beginning of the year	38.43	43.93
Less:-Recognised as revenue	(38.43)	(43.93)
Add:- Advances received during the year related to closing balance	31.56	38.43
<b>As at end of the year</b>	<b>31.56</b>	<b>38.43</b>

### 27 Provisions (Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits :</b>		
- Compensated Absences (Refer note 47)	4.56	3.31
	<b>4.56</b>	<b>3.31</b>

### 28 Revenue from operations#

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products (Net of Rebate & Discount)	9,393.09	9,106.45
Sale of services	8.73	7.79
Other operating revenues :		
- Export benefits*	159.20	160.14
- Others	26.19	24.30
	<b>9,587.21</b>	<b>9,298.68</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Ind AS 115 'Revenue from Contracts with customers' outlines a single comprehensive control based model for revenue recognition. The Company had not applied any significant judgements in applying the revenue recognition criteria. The disclosure requirements as per Ind AS 115 given below:-

\*The following is an analysis of the Company's revenue from its products and services

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of Yarn	5,953.54	5,867.58
Sale of Fabric	3,318.66	3,122.65
Sale of Garments	126.01	112.09
Service income	8.73	7.79
Others (Sale of scrap and others)	21.06	28.43
	<b>9,428.01</b>	<b>9,138.54</b>

The following is analysis on the Company's revenue disaggregates on the basis of timing of revenue recognition.

- At point of time	9,428.01	9,138.54
- Over the period	-	-

The contract price of sale of products co-incide with the revenue from operations.

\*Export benefits are in the nature of government grants covering following benefits

(a) RoDTEP	100.10	97.27
(b) Duty drawback benefits	59.10	62.87
	<b>159.20</b>	<b>160.14</b>

### 29 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>(a) Interest income</b>		
Interest income on Financial assets measured at amortised cost		
- Interest on Bank deposits	3.10	19.70
- Interest from Others	7.09	6.08
Interest on refund of income tax	26.54	27.78
<b>(b) Dividend income</b>		
Dividend Income from investment carried at cost	50.54	25.22
<b>(c) Other Non Operating Income (Net of Expenses directly attributable to such income)</b>		
Net gain on sale of investments-carried at fair value through Profit and Loss (net of fair valuation gains/loss upto previous year)	40.94	52.54
Gain on fair valuation of Investments (Net)	91.24	84.19
<b>(d) Other gain</b>		
Claims received (net of expenses)	0.90	0.91
Provisions no longer required written back	3.36	16.87
Subsidy from Government	51.92	44.70
Net gain on disposal of property, plant and equipment	44.17	7.39
Foreign exchange fluctuation gain (net)	27.58	24.84
Others	20.09	23.32
	<b>367.47</b>	<b>333.54</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 30 Cost of materials consumed\*

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cotton	4,197.75	4,338.54
Manmade fibre	1,036.21	995.55
Yarn	23.60	21.18
Fabric	57.34	29.50
Others	4.11	7.41
	<b>5,319.01</b>	<b>5,392.18</b>

\*Consumption is derived figure, calculated by adding the opening stock and purchases, and then subtracting the closing stock.

### 31 Purchases of Stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Yarn	4.85	1.62
	<b>4.85</b>	<b>1.62</b>

### 32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Inventories at the beginning of the year</b>		
Work-in-progress	233.54	235.93
Finished goods (Including stock in trade)	696.42	793.20
	<b>929.96</b>	<b>1,029.13</b>
<b>Inventories at the end of the year</b>		
Work-in-progress	232.67	233.54
Finished goods (Including Stock in trade)	733.46	696.42
	<b>966.13</b>	<b>929.96</b>
	<b>(36.17)</b>	<b>99.17</b>

### 33 Employee benefits expense\*

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	773.84	739.75
Contribution to provident and other funds	61.77	59.60
Employee share based expense	8.52	-
Gratuity Expense (Net)	14.67	14.09
Staff welfare expenses	8.99	7.17
	<b>867.79</b>	<b>820.61</b>

\*Refer Note 47

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 34 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on loan*	58.79	88.84
Other borrowing costs	18.23	13.15
	<b>77.02</b>	<b>101.99</b>

\*Interest expense is net of interest reimbursement of ₹28.48 crores (March 31, 2024 - ₹47.67 crores) under Madhya Pradesh state interest reimbursement on term loan.

### 35 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel*	881.30	870.04
Consumption of stores and spare parts	58.11	56.49
Packing materials and charges	123.45	107.82
Dyes and Chemical consumed	259.48	229.98
Rent	2.45	1.78
Repairs and Maintenance		
- Buildings	64.43	36.91
- Plant and Machinery	269.39	293.27
- Others	17.48	17.28
Legal and Professional Charges	16.12	14.80
Processing Charges	12.23	13.19
Travelling and Conveyance Expenses	12.37	10.42
Insurance	14.27	16.43
Rates and taxes	3.45	3.22
Auditors remuneration:		
- Audit fee	0.93	0.85
- Tax audit fee	0.09	0.10
- Reimbursement of expenses	0.11	0.02
- In other capacity (Certification Charges)	0.09	-
Bad debts written off	9.95	0.94
Allowances for expected credit loss (net)	0.61	-
Forwarding charges and Octroi	229.66	167.42
Commission to selling agents	63.16	64.11
Assets written off	1.82	2.52
Charity, Donation and CSR activities (Refer Note 49)#	32.97	28.14
Cotton Hedging Derivative Loss	0.57	4.89
Other miscellaneous expenses**	100.08	86.09
	<b>2,174.57</b>	<b>2,026.71</b>

\*Power & Fuel expense amount is net of Subsidy amounting ₹19.35 Crores (March 31, 2024 ₹28.57 Crores).

\*\*Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

#The Company has made a political contribution amounting to ₹7 Crores in FY 24-25 to Prudent Electoral Trust. (During the previous year the Company had purchased electoral bond amounting to ₹4 Crores which has been subsequently encashed by Bhartiya Janta Party and President, All India Congress Committee amounting to ₹3 Crores and ₹1 Crores respectively)

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 36 Tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

#### 36.1 Deferred tax liabilities (Net)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>2024-25</b>				
<b>Deferred tax assets</b>				
Expenses deductible in future years	7.64	2.10	-	9.74
Provision for doubtful debts / advances	4.81	1.76	-	6.57
Others	0.07	0.15	-	0.22
	<b>12.52</b>	<b>4.01</b>	<b>-</b>	<b>16.53</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets	(255.81)	(10.85)	-	(266.66)
Investment in bonds, mutual funds and equity instruments	(5.46)	(21.94)	(0.07)	(27.47)
Others	-	(1.15)	-	(1.15)
	<b>(261.27)</b>	<b>(33.94)</b>	<b>(0.07)</b>	<b>(295.28)</b>
<b>Net deferred tax liabilities</b>	<b>(248.75)</b>	<b>(29.93)</b>	<b>(0.07)</b>	<b>(278.75)</b>

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>2023-24</b>				
<b>Deferred tax assets</b>				
Expenses deductible in future years	9.96	(2.32)	-	7.64
Provision for doubtful debts / advances	4.81	-	-	4.81
Others	0.05	0.02	-	0.07
	<b>14.82</b>	<b>(2.30)</b>	<b>-</b>	<b>12.52</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets	(251.62)	(4.19)	-	(255.81)
Investment in bonds, mutual funds and equity instruments	(3.19)	(2.24)	(0.03)	(5.46)
Others	(2.82)	2.82	-	-
	<b>(257.63)</b>	<b>(3.61)</b>	<b>(0.03)</b>	<b>(261.27)</b>
<b>Net deferred tax liabilities</b>	<b>(242.81)</b>	<b>(5.91)</b>	<b>(0.03)</b>	<b>(248.75)</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	240.69	177.44
Income Tax pertaining to earlier years	-	-
Deferred tax	29.93	5.91
<b>Total income tax expense recognised</b>	<b>270.62</b>	<b>183.35</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	1,149.69	790.98
Tax at the Indian Tax Rate of 25.168% (2023-24 : 25.168 %)	289.35	199.07
Differential tax rate on capital gain on sale of investments/mark to market gain on investment	(10.90)	(19.58)
Effect of indexation benefit on value of investment	-	(0.12)
Deductions u/s 80M	(12.72)	(2.03)
Effect of expenses considered as not deductible in determining taxable profit	9.12	7.08
Exemption u/s 54D	(6.92)	-
Others	2.69	(1.07)
	<b>270.62</b>	<b>183.35</b>

#### 36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Arising on income and expenses recognised in other comprehensive income</b>		
Net fair value gain on investment in equity shares at FVTOCI	0.07	0.03
Remeasurement of defined benefit obligation	0.26	1.25
<b>Total income tax recognised in other comprehensive income</b>	<b>0.33</b>	<b>1.28</b>

### 37 Financial Instruments and Risk Management

#### 37.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in note no.18 and 23 and offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally exposed capital requirements.

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's gearing ratio was as follows:

The following table provides detail of the debt and equity at the end of the reporting year:

Particulars	As at March 31, 2025	As at March 31, 2024
Debt	1,237.90	1,790.04
Cash & cash equivalents	52.11	33.00
<b>Net Debt</b>	<b>1,185.79</b>	<b>1,757.04</b>
<b>Total Equity</b>	<b>9,577.84</b>	<b>8,804.95</b>
<b>Net debt to equity ratio</b>	<b>0.12</b>	<b>0.20</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 37.2 Financial instruments by category

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVTPL	Amortised Cost <sup>#</sup>	FVTOCI	FVTPL	Amortised Cost <sup>#</sup>	FVTOCI
<b>Financial Assets</b>						
Investments*	1,363.68	-	2.80	1,249.71	-	2.52
Trade Receivables	-	1,288.80	-	-	1,205.38	-
Cash and cash equivalents	-	52.11	-	-	33.00	-
Bank balances other than above	-	32.63	-	-	50.70	-
Loans	-	3.29	-	-	3.60	-
Other financial assets	-	178.92	-	2.07	195.97	-
	<b>1,363.68</b>	<b>1,555.75</b>	<b>2.80</b>	<b>1,251.78</b>	<b>1,488.65</b>	<b>2.52</b>

Particulars	As at March 31, 2025		As at March 31, 2024	
	FVTPL	Amortised Cost <sup>#</sup>	FVTPL	Amortised Cost <sup>#</sup>
<b>Financial Liabilities</b>				
Borrowings (including current maturity of term loan)	-	1,237.90	-	1,790.04
Trade Payables	-	429.61	-	317.38
Other financial liabilities	2.48	238.16	-	199.97
Lease Liability	-	0.19	-	0.18
	<b>2.48</b>	<b>1,905.86</b>	-	<b>2,307.57</b>

<sup>#</sup>Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

\*Investment value excludes investment in subsidiaries/associates of ₹109.95 crores (March 31, 2024: ₹109.95 crores) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2025	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	-	1,363.68	-	1,363.68
Investments in unquoted equity instruments	-	-	2.80	2.80
Foreign currency / commodity forward contracts	-	-	-	-
	-	<b>1,363.68</b>	<b>2.80</b>	<b>1,366.48</b>
<b>Financial Liabilities</b>				
Foreign currency / commodity future/option contracts	-	2.48	-	2.48
	-	<b>2.48</b>	-	<b>2.48</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	-	1,249.69	-	1,249.69
Investments in unquoted equity instruments	-	-	2.52	2.52
Foreign currency / commodity forward contracts	-	2.07	-	2.07
	-	<b>1,251.76</b>	<b>2.52</b>	<b>1,254.28</b>
<b>Financial Liabilities</b>				
Foreign currency / commodity future/option contracts	-	-	-	-
	-	-	-	-

### Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

### Level 2:

Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

### Level 3:

Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

### Sensitivity of Level 3 financial instruments are insignificant

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Investment in preference shares/debentures: Fair value is determined by reference to quotes from fund houses/portfolio management services companies i.e value of investments.

**Derivative contracts:** The Company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

**Quoted equity investments:** Fair value is derived from quoted market prices in active markets.

**Unquoted equity investments:** Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
<b>As at April 1, 2023</b>	<b>2.39</b>
Purchases	-
Gain / (loss) recognised in OCI	0.13
<b>As at March 31, 2024</b>	<b>2.52</b>
Purchases	-
Gain / (loss) recognised in OCI	0.28
<b>As at March 31, 2025</b>	<b>2.80</b>

### 37.3 Financial Risk Management

The Company's corporate treasury functions provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Company through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risks, credit risk and liquidity risk).

The Company seeks to minimize the effects of these risk by using derivate financial instruments to hedge risk exposure. The issue of financial derivatives is governed by the Company's policy approved by the board of directors.

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

This note explains the risks which the Company is exposed to and policies and framework adopted by the Company to manage these risks.

#### 37.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

#### A. Foreign Currency Risk Management

The Company operates internationally and business is transacted in several currencies. The export sales of Company comprise around 43% (2023-24 - 43%) of the total sales of the Company, Further the Company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the Company is exposed to foreign currency risk and the results of the Company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Company's functional currency.

The Company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency (amount in ₹ crores) are as follows:

As at March 31, 2025	USD	EUR	CHF	JPY
<b>Financial assets</b>				
Trade receivables	786.03	58.90	-	-
Others	-	-	-	-
Foreign exchange derivative contracts*	(2,487.47)	(78.09)	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade payables and other financial liabilities	28.54	7.16	22.22	0.01
Borrowings	-	-	-	-
Interest accrued on ECB	-	-	-	-
Foreign exchange derivative contracts*	(403.69)	(123.42)	(31.06)	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>
<b>Net exposure to foreign currency risk (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>

As at March 31, 2024	USD	EUR	CHF	JPY
<b>Financial assets</b>				
Trade receivables	707.32	43.22	-	-
Others	-	-	-	-
Foreign exchange derivative contracts*	(2,135.04)	(33.78)	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>-</b>	<b>9.44</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade payables and other financial liabilities	41.71	2.70	1.94	0.47
Borrowings	33.36	-	-	-
Interest accrued on ECB	-	-	-	-
Foreign exchange derivative contracts*	(162.67)	(57.98)	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>-</b>	<b>-</b>	<b>1.94</b>	<b>0.47</b>
<b>Net exposure to foreign currency risk (net)</b>	<b>-</b>	<b>9.44</b>	<b>(1.94)</b>	<b>(0.47)</b>

\*Excess derivative contracts are against pending purchase order/sales order shipment

#### Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10 % increase and decrease in the Rupees against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
USD	-	-	-	-
EUR	-	-	0.92	(0.92)
CHF	-	-	0.19	(0.19)
JPY	-	-	0.12	(0.12)

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Crores)		Nominal Amount (₹ Crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Import</b>						
USD / INR Buy forward	88	51	4.19	1.55	357.92	129.30
USD / INR Buy Option	3	2	0.54	0.40	45.77	33.36
EUR / USD / INR Buy forward	3	3	0.16	0.22	14.64	20.25
EUR / USD/ INR Buy Option	6	2	1.18	0.42	108.78	37.73
CHF/INR Buy Forward	1	-	0.32	-	31.06	-
<b>Export</b>						
USD / INR Sell forward	283	202	28.10	20.20	2,401.99	1,684.68
USD / INR Sell Option	5	27	1.00	5.40	85.48	450.36
EUR / INR Sell forward	17	12	0.85	0.38	78.09	33.78
Fair value assets	-	-	-	-	-	2.07
Fair value liabilities	-	-	-	-	2.48	-

\*Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

### B. Interest Rate Risk Management

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 rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ if loans interest rate decreases by 1%	₹ if loans interest rate decreases by 1%
Increase in profit before tax by	12.38	17.90

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### C. Security Price Risk Management

#### Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

#### Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

#### If the equity prices had been 5% higher / lower:

Other comprehensive income for March 31, 2025 would increase / decrease by ₹0.14 crores (March 31, 2024: increase / decrease by ₹0.11 crores) as a result of the change in fair value of equity investment measured at FVTOCI.

#### Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

#### Mutual fund/debentures/Equity shares/bonds price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

Profit for the year ended March 31, 2025 would increase / decrease by ₹13.64crores (March 31, 2024 by ₹12.50 crores) as a result of the changes in fair value of mutual fund investments.

### D. Commodity Price Risk Management

The Company uses commodity derivative instruments to manage its price risk exposures on inventory of cotton. Commodity derivatives are used primarily as risk management tool to safeguard price risk exposure on inventory of cotton. Company employs specific financial instruments namely future and option contracts for hedging its price risk related to commodity.

#### 37.3.2 Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The Company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The Company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

The following is the detail of revenues generated from top five customers of the Company:

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue from top five customers	912.66	894.75
% of total sales of products	9.52%	9.62%
<b>Financial assets for which loss allowance is measured:</b>		
Loans - Non-current	1.21	1.27
Loans - Current	2.08	2.33
Other financial assets - Non-current	62.36	74.37
Other financial assets - Current	116.56	123.68
Trade receivables	1,288.80	1,205.38
	<b>1,471.01</b>	<b>1,407.03</b>
<b>Loss allowance is as follows:-</b>		
<b>As at April 01, 2023</b>		<b>18.76</b>
Provided during the year		-
Reversed during the year		(0.22)
<b>As at March 31, 2024</b>		<b>18.54</b>
Provided during the year		15.79
Reversed during the year		(15.18)
<b>As at March 31, 2025</b>		<b>19.15</b>

Other than financial assets mentioned above, none of the Company's financial assets are either impaired, and there were no indications that defaults in payment obligations would occur.

### 37.3.3 Liquidity Risk Management

The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash and marketable securities to meet the obligations as and when they fall due. The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

The table below analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities:

As at March 31, 2025	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>Financial Assets</b>					
Investments	318.49	1,045.20	-	112.75	1,476.44
Trade Receivables	1,288.80	-	-	-	1,288.80
Cash and cash equivalents	52.11	-	-	-	52.11
Bank balances other than above	32.63	-	-	-	32.63
Loans	2.08	0.94	0.08	0.19	3.29
Other financial assets	95.95	0.32	-	20.29	116.56
	<b>1,790.06</b>	<b>1,046.46</b>	<b>0.08</b>	<b>133.23</b>	<b>2,969.83</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

As at March 31, 2025	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>Financial liabilities</b>					
Borrowings	488.91	342.47	218.86	187.66	1,237.90
Trade payables	429.59	-	-	-	429.59
Lease liability (undiscounted)	-	-	0.19	-	0.19
Other financial liabilities	240.11	0.53	-	-	240.64
	<b>1,158.61</b>	<b>343.00</b>	<b>219.05</b>	<b>187.66</b>	<b>1,908.32</b>

As at March 31, 2024	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>Financial Assets</b>					
Investments	111.04	1,138.66	-	112.47	1,362.17
Trade Receivables	1,205.38	-	-	-	1,205.38
Cash and cash equivalents	32.51	-	-	-	32.51
Bank balances other than above	50.71	-	-	-	50.71
Loans	2.33	0.87	0.40	-	3.60
Other financial assets	15.22	6.20	10.15	-	31.57
	<b>1,417.19</b>	<b>1,145.73</b>	<b>10.55</b>	<b>112.47</b>	<b>2,685.94</b>
<b>Financial liabilities</b>					
Borrowings	1,371.87	417.96	-	-	1,789.83
Trade payables	317.38	-	-	-	317.38
Lease liability (undiscounted)	-	-	0.18	-	0.18
Other financial liabilities	199.33	0.64	-	-	199.97
	<b>1,888.58</b>	<b>418.60</b>	<b>0.18</b>	<b>-</b>	<b>2,307.36</b>

The approach of the Company to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The working capital credit facilities are continuing facilities which are reviewed every year.

The Company also ensures that the long term funds requirements are met through adequate availability of long term capital (Debt & Equity).

Particulars	As at March 31, 2025	As at March 31, 2024
Total sanctioned limits from banks (Fund Based) ₹ in Crores	2,350.00	2,350.00
Utilized	378.75	816.27
<b>Unutilized</b>	<b>1,971.25</b>	<b>1,533.73</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 38 Contingent Liabilities and Commitments

#### a. Claims against the Company not acknowledged as debts:

	As at March 31, 2025	As at March 31, 2024
Sales tax, excise duty, etc*	6.69	6.69
Income-tax**	250.19	254.62
Others***	4.40	4.40

\*Amount deposited ₹1.60 crore (March 31, 2024 : ₹1.60 crore)

\*\*Amount deposited ₹225.39 crore (March 31, 2024 : ₹236.46 crore)

\*\*\*Amount deposited ₹0.70 crore (March 31, 2024 : ₹0.70 crore)

b. Liability on account of bank guarantees and letter of credit of ₹658.04 crores (March 31, 2024: ₹200.14 crores)

c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company has been advised that it has strong legal positions against such disputes.

d. The Payment of Bonus (Amendment) Act 2015, notified on December 31, 2015, had revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus retrospectively from April 1, 2014. Based on legal opinion, the Company has filed a writ petition in Hon'ble High Court of Punjab & Haryana contesting its retrospective applicability and the said jurisdictional High Court has granted stay on its retrospective operation. In view thereof, the Company has not provided differential bonus pertaining to the period from April 1, 2014 to March 31, 2015 amounting to ₹8.21 crores. However, the Company has provided/paid bonus w.e.f. April 1, 2015 according to the amended provisions of the Payment of Bonus (Amendment) Act 2015.

#### e. Capital and other commitments

	As at March 31, 2025	As at March 31, 2024
(i) Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advance)	1,245.98	238.06
(ii) Exports obligations under Export Promotion Capital Goods (EPCG) scheme*	3,020.98	-

\*Company is availing benefit under EPCG Scheme for import of capital goods and spare parts against obligation to export six times of the duty saved. Total Duty to be saved/saved against licences outstanding as at March 31, 2025 is ₹789.12 crores (March 31, 2024 ₹626.99 crores). Export obligation on such licences outstanding as at year end is disclosed above.

(iii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

39 The details of dues of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited as on March 31, 2025 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)	Amount unpaid (₹ In Crores)
Central Excise Laws	Excise Duty	CESTAT	FY 2007-08 to FY 2010-11	0.67	0.65
		High Court	2016-17, 2017-18 and 2020-21	3.77	3.58
		Upto Commissioner (Appeals)	FY 2011-12 to FY 2013-14, FY 2017-18 and FY 2018-19	0.62	0.60
Service Tax Laws	Service Tax	Commissioner (Appeal)	FY 2008-09	0.11	0.11
Sales Tax Laws	Central sales tax	Appellate Board	FY 2009-10	0.06	0.06
		Appellate Board	FY 2010-11 to FY 2012-13	0.17	0.08
		Upto Commissioner (Appeals)	FY 2014-15 to FY 2017-18	0.07	0.05
Goods and Service Tax Laws	Goods and Service Tax Laws	Upto Commissioner (Appeals)	FY 2017-18 to FY 2020-21	1.87	0.61
Provident Fund	Provident Fund	High Court	FY 2015-16	0.27	0.16
Municipality Corporation Act	Octroi	High Court	FY 1996-97	0.15	0.15
Property tax	Property Tax	High Court	FY 2015-16	1.40	0.70
Land Acquisition Act	Enhancement of compensation for Industrial Land	Collector Land Acquisition	FY 1991-92	1.47	1.47
National Green Tribunal	National Green Tribunal	High Court	FY 2020-21	1.38	1.38
Income-tax Laws	Income-tax	CIT (Appeals)	AY 2016-17 to AY 2020-21	228.68	3.28

\*amount as per dispute/demand orders including interest and penalty wherever quantified in the Order.

The following matters, which has been excluded from the above table, have been decided in the favour of the Company, but the department has preferred appeal at higher level. The details are given below:-

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved** (₹ In Crores)
Income-tax Laws	Income-tax	High Court	AY 2001-02 to AY 2007-08, AY 2009-10 to AY 2014-15	173.26

\*\*This includes the appeal files from the departments for which the communication of the grounds has not been received, and amounts are considered based on the previous order ₹143.72 crores.

40(a) Mahavir Share Trust ("Trust") is holding 10,65,822 equity shares (March 31, 2024: 10,65,822 equity shares) of ₹10 each of Vardhman Special Steels Limited which were allotted to it in the capacity of a shareholder of the Company by virtue of 'Scheme of Arrangement & Demerger' entered into by the Company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by Trust (Mahavir Share trust) on behalf of the Company, the cost of these shares is reflecting but same has been valued at cost as reflected in other current asset.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

**40(b)** The detail of the amount recoverable from Mahavir Share Trust as at the end of the year is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.02	0.01
	<b>4.66</b>	<b>4.65</b>

**40(c)** The Mahavir Share Trust has received dividend of ₹0.21 crores in FY 24-25 and FY 23-24 from Vardhman Special Steels Limited.

### 41 Segment Information

The Company is primarily in the business of manufacturing, purchase and sale of textiles. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

#### Entity Wide Disclosure

Particulars	For the year ended March, 31 2025	For the year ended March, 31 2024
<b>Revenue from Operations</b>		
Domestic	5,451.50	5,356.10
Overseas	4,135.71	3,942.58
	<b>9,587.21</b>	<b>9,298.68</b>
<b>Total Segment Assets</b>		
- Within India	11,899.82	11,486.52
- Outside India	-	-
<b>Non Current Segment Assets</b>		
- Within India	5,842.60	5,268.11
- Outside India	-	-

Total Segment Assets included non current and current assets

Domestic information includes sales and services rendered to customers located in India. Overseas information includes sales and services rendered to customers located outside India.

Non-current segment assets includes property, plant and equipments, capital work in progress, intangible assets and other non current assets.

No single customer contributed 10% or more to the Company's revenue for both the financial years 2024-25 and 2023-24.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 42 Earnings Per Share

Particulars	For the year ended March, 31 2025	For the year ended March, 31 2024
Basic earnings per share (₹)	30.40	21.01
Diluted earnings per share (₹)	30.40	21.01
Profit attributable to the equity holders of the Company used in calculating basic earning per share	879.07	607.63
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	28,91,74,800	28,91,55,122
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	879.07	607.63
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	28,91,74,800	28,91,93,550

**43** Trade Payables and payable for purchase of property, plant and equipments include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

Particulars	For the year ended March, 31 2025	For the year ended March, 31 2024
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount*	51.57	24.47
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

\*It includes the amount of payable for purchase of property, plant and equipments of ₹2.76 crores (FY 2023-24 ₹0.70 crores)

### 44 Leases

The Company has lease contracts for various Lands, Godowns, Guest Houses, Office premises. Leases of Office Premises, guest Houses, Godowns have lease term ranging from 11 months to 30 years and leases of land have lease terms of 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options.

The Company also has certain leases of office premises and guest houses with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025:

Particulars	Leasehold Land	Leasehold Building	Total
<b>Balance as on April 01, 2023</b>	<b>8.36</b>	<b>0.01</b>	<b>8.37</b>
Addition	-	-	-
Deletion	-	-	-
Depreciation/Amortisation	(0.13)	-	(0.13)
<b>Balance as on March 31, 2024</b>	<b>8.23</b>	<b>0.01</b>	<b>8.24</b>
Addition	-	-	-
Deletion	-	-	-
Depreciation/Amortisation	(0.17)	-	(0.17)
<b>Balance as on March 31, 2025</b>	<b>8.06</b>	<b>0.01</b>	<b>8.07</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break up of current and non current lease liabilities as at March 31, 2025:

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	-	-
Non-Current lease liabilities	0.19	0.18
<b>Total</b>	<b>0.19</b>	<b>0.18</b>

Following is the movement in lease liabilities during year ended March 31, 2025

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	0.18	0.17
Finance cost accrued during the period	0.01	0.01
Payment of lease liabilities	-	-
<b>Balance at the end</b>	<b>0.19</b>	<b>0.18</b>

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	0.00	0.00
One to five years	0.19	0.18
More than five years	0.00	0.00
<b>Total</b>	<b>0.19</b>	<b>0.18</b>

The following are the amounts recognised in statement of profit and loss:

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expenses on Right to use Assets	0.17	0.29
Interest expense on lease liabilities	-	-
Expense relating to short-term leases (included in other expenses)	1.20	1.27
<b>Total amount recognised in statement of profit and loss</b>	<b>1.37</b>	<b>1.56</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 45 i. Employee Share option plan 2024

- Detail of employee share option of the Company: The Company has a share option scheme for senior employees of the Company. In accordance with the terms of the plan as approved by shareholders, eligible employees may be granted options to purchase equity shares. Each employee share option convert into one equity share of the Company on exercise. Exercise price payable by the recipient is determined as per scheme. The options when allotted carry rights to dividend and voting power at par with other equity shares. Options may be exercised at the time of vesting to the date of their expiry.
- The number of options granted is in accordance with employee stock option scheme approved by the shareholders and is subject to approval by the remuneration committee. The scheme rewards senior employees to the extent of Company's and the individual's achievement judged against both qualitative and quantitative criteria.
- The following share payments arrangement is in existence during the period.

Option Detail	Number	Grant Date	Expiry Date	Exercise Price	Fair value of option at grant date
Vardhman Employee Stock Option 2024	31,75,000	Wednesday, 3 April 2024	2 years from the date of respective vesting	425.00	69.93
	<b>31,75,000</b>				

#### Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

- During the current year, the Company has granted equity options of 31,75,000 having face value of ₹2 per share out of which 2,70,000 options lapsed due to resignation and retirement of eligible members.

- Fair value of options/shares granted in the year

Call option value per option unit using Black Scholes Method is ₹69.93. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	444.85
Exercise price (₹)	425.00
Expected volatility	9.67
Option life	5 years
Dividend yield	0.90%
Risk free Interest Rate	6.94%

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

(vi) Movement of share options

Particulars	2024-25		2023-24	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	-	-	-	-
Granted during the year	31,75,000	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(2,70,000)	-	-	-
<b>Balance at end of year</b>	<b>29,05,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

(vii) Amount accounted for in statement of profit and loss for Employee stock options is ₹8.52 Crores (FY 2023-24 ₹NIL).

### 45 ii. Employee Stock Option Plan 2016

The following share Payments arrangement was in existence in the previous year:

#### Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

Call option value per option unit using Black Scholes Method is ₹85.53. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	211.32
Exercise price (₹)	163.00
Expected volatility	33.78%
Option life	2 years
Dividend yield	1.92%
Risk free Interest Rate	6.31%

Particulars	2024-25		2023-24	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	-	-	66,500	-
Exercised during the year	-	-	(47,750)	163
Lapsed during the year	-	-	(18,750)	-
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 46 Related Party Transactions

#### 46.1 Description of related parties

##### Subsidiaries

Vardhman Acrylics Limited  
VTL Investments Limited

##### Associates

Vardhman Yarns and Threads Limited  
Vardhman Spinning and General Mills Limited  
Vardhman Special Steels Limited

##### Relatives of KMP

Ms. Soumya Jain  
Mrs. Shakun Oswal

##### Post Employment Benefit Plans Trust

Mahavir Employees Gratuity Fund Trust  
Mahavir Superannuation Scheme

##### Key management personnel (KMP)

Mr. S.P. Oswal, Chairman and Managing Director\*  
Mrs. Suchita Jain, Vice Chairperson & Joint Managing Director  
Mr. Neeraj Jain, Joint Managing Director  
Ms. Sagrika Jain (Executive Director)  
Mr. Rajeev Thapar, Chief Financial Officer\*  
Mr. Sanjay Gupta, Company Secretary\*  
Mr. Sachit Jain (Non-Executive Director)  
Mr. Prafull Anubhai (Independent Director) (upto September 19, 2024)  
Dr. Parampal Singh (Independent Director) (upto November 27, 2023)  
Mrs. Harpreet Kaur Kang (Independent Director)  
Mr. Udeypaul Singh Gill (Independent Director)  
Mr. Suresh Kumar (Independent Director)  
Mr. Atul Khosla (Independent Director) (w.e.f. August 04, 2023)  
Dr. Prem Kumar (Independent Director) (w.e.f. July 30, 2024)

##### Enterprises over which KMP have significant influence ('Others')

Vardhman Holdings Limited  
Vardhman Apparels Limited  
Smt. Banarso Devi Oswal Public Charitable Trust  
Sri Aurobindo Socio Economic and Management Research Institute  
Adhiswar Enterprises LLP  
Devakar Investment and Trading Company Private Limited  
Santon Finance and Investment Company Limited  
Flemingo Finance and Investment Company Limited  
Ramaniya Finance and Investment Company Limited  
Mahavir Spinning Mills Private Limited  
Northern Trading Company  
Amber Syndicate  
Paras Syndicate  
Eastern Trading Company  
Mahavir Traders  
Lock And Decor Home LLP

\*Pursuant to section 2(51) of Companies Act, 2013

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 46.2 Transactions with related parties

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Sale /processing of goods to:#</b>			
Vardhman Acrylics Limited	Subsidiary	0.07	0.68
Vardhman Special Steels Limited	Associate	-	0.79
Vardhman Yarns and Threads Limited	Associate	3.06	1.02
Mahavir Traders	Others	40.49	58.26
		<b>43.62</b>	<b>60.75</b>
<b>Purchase/processing of goods from:#</b>			
Vardhman Acrylics Limited	Subsidiary	98.90	107.21
Vardhman Yarns and Threads Limited	Associate	22.04	18.48
		<b>120.94</b>	<b>125.69</b>
<b>Sale of RoDTEP License</b>			
Vardhman Acrylics Limited	Subsidiary	2.12	2.49
Vardhman Special Steels Limited	Associate	-	0.96
Vardhman Yarns and Threads Limited	Associate	3.47	3.41
		<b>5.59</b>	<b>6.86</b>
<b>Sales of property, plant &amp; equipment to:#</b>			
Vardhman Yarns and Threads Limited	Associate	0.53	-
		<b>0.53</b>	<b>-</b>
<b>Purchase of property, plant &amp; equipment from:#</b>			
Lock And Decor Home LLP	Others	0.01	0.70
Sri Aurobindo Socio Economic and Management Research Institute	Others	-	0.00
Vardhman Yarns and Threads Limited	Associate	0.07	-
		<b>0.08</b>	<b>0.70</b>
<b>Rent paid to**</b>			
Vardhman Holdings Limited	Others	0.02	0.02
Smt. Banarso Devi Oswal Public Charitable Trust	Others	0.12	0.12
		<b>0.14</b>	<b>0.14</b>
<b>Rent received from**</b>			
Vardhman Yarns and Threads Limited	Associate	0.28	0.28
		<b>0.28</b>	<b>0.28</b>
<b>Dividend received from:</b>			
Vardhman Acrylics Limited	Subsidiary	11.37	14.21
VTL Investments Limited	Subsidiary	15.00	-
Vardhman Special Steels Limited	Associate	3.88	3.88
Vardhman Yarns and Threads Limited	Associate	20.07	6.90
		<b>50.32</b>	<b>24.99</b>
<b>Dividend Paid to:</b>			
Sagrika Jain	KMP	0.01	0.01
Shakun Oswal	Others	0.38	0.34

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
Shri Paul Oswal	KMP	1.81	1.58
Soumya Jain	Others	0.02	0.01
Suchita Jain	KMP	0.49	0.43
Sanjay Gupta	KMP	-	0.02
Adishwar Enterprises LLP	Others	20.64	18.06
Vardhman Holdings Limited	Others	33.34	-
VTL Investments Limited	Subsidiary	1.86	-
Devakar Investments and trading company Pvt Ltd.	Others	12.68	11.09
Flamingo Finance and Investment company Ltd.	Others	1.07	0.93
Mahavir Spinning Mills Private Limited	Others	0.20	0.17
Ramaniya Finance and Investment company Ltd.	Others	0.85	0.74
Santon Finance and Investment company Ltd.	Others	0.91	0.80
		<b>74.25</b>	<b>34.19</b>
<b>Reimbursement of expenses received from</b>			
Vardhman Acrylics Limited	Subsidiary	0.01	0.00
Vardhman Apparels Limited	Others	0.01	0.00
Vardhman Special Steels Limited	Associate	0.06	0.11
Vardhman Yarns and Threads Limited	Associate	0.12	0.13
Sri Aurobindo Socio Economic and Management Research Institute	Others	-	0.03
		<b>0.20</b>	<b>0.27</b>
<b>Reimbursement of expenses paid to:</b>			
Vardhman Acrylics Limited	Subsidiary	-	0.01
Vardhman Yarns and Threads Limited	Associate	2.02	0.04
Vardhman Apparels Limited	Others	0.02	-
		<b>2.04</b>	<b>0.05</b>
<b>Recovery of Common Expenses incurred**</b>			
Vardhman Acrylics Limited	Subsidiary	0.76	0.76
Vardhman Special Steels Limited	Associate	1.00	1.00
Vardhman Yarns and Threads Limited	Associate	2.76	3.53
		<b>4.52</b>	<b>5.29</b>
<b>Payment against licence agreement**</b>			
Vardhman Holdings Limited	Others	1.44	1.39
		<b>1.44</b>	<b>1.39</b>
<b>Donations/ CSR payments to</b>			
Sri Aurobindo Socio Economic and Management Research Institute	Others	-	0.17
		<b>-</b>	<b>0.17</b>
<b>Withdrawal from post employment benefit plans:</b>			
Mahavir Employees Gratuity Fund Trust	Post Employment Benefit Plans Trust	1.01	(2.46)
		<b>1.01</b>	<b>(2.46)</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 46.3 Outstanding Balances:

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Receivables</b>			
Vardhman Special Steels Limited	Associate	0.11	0.17
Vardhman Yarns and Threads Limited	Associate	-	0.12
Vardhman Spinning and General Mills	Associate	0.00	0.00
Vardhman Apparels Limited	Others	0.02	0.01
Mahavir Traders	Others	0.02	-
Mahavir Employees Gratuity Fund Trust	Post Employment Benefit Plans Trust	-	1.02
		<b>0.15</b>	<b>1.32</b>
<b>Payables</b>			
Vardhman Acrylics Limited	Subsidiary	-	1.50
Vardhman Holdings Limited	Others	(1.43)	1.53
Mahavir Traders	Others	-	0.04
Vardhman Yarns and Threads Limited	Associate	(0.82)	-
		<b>(2.25)</b>	<b>3.07</b>
<b>Equity Investment outstanding</b>			
Vardhman Acrylics Limited	Subsidiary	53.15	53.15
VTL Investments Limited	Subsidiary	4.04	4.04
Vardhman Special Steels Limited	Associate	25.24	25.24
Vardhman Yarns and Threads Limited	Associate	27.50	27.50
Vardhman Spinning and General Mills Limited	Associate	0.03	0.03
		<b>109.96</b>	<b>109.96</b>

\* Also Refer Note 40

### 46.4 Key management personnel compensation\*

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
Mr. S.P. Oswal	KMP	22.78	16.61
Mrs. Suchita Jain	KMP	3.28	3.36
Mr. Neeraj Jain	KMP	3.49	2.78
Ms. Sagrika Jain	KMP	1.12	1.08
Mr. Rajeev Thapar	KMP	1.11	0.94
Mr. Sanjay Gupta	KMP	0.27	0.25
Mr. Prafull Anubhai	KMP	0.05	0.06
Mr. Suresh Kumar	KMP	0.09	0.05
Dr. Parampal Singh	KMP	-	0.03

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
Mrs. Harpreet Kaur Kang	KMP	0.07	0.04
Mr. Udeypaul Singh Gill	KMP	0.08	0.03
Mr. Atul Khosla	KMP	0.04	0.01
Mr. Prem Kumar	KMP	0.04	-
		<b>32.42</b>	<b>25.24</b>

\*excluding provision for employee benefits, employee stock options but includes sitting fees paid / payable to non executive directors. Perquisites values are considered as per the provisions of Income Tax Act, 1961.

\*\*Transaction are exclusive of Taxes

\*Gross of Indirect Taxes

### 47 Employee Benefits

#### 47.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
National Pension Scheme	2.96	2.67
Provident fund administered through Regional Provident Fund Commissioner	45.79	43.47
Employees' State Insurance Corporation	11.27	11.52
Other funds	1.75	1.94
	<b>61.77</b>	<b>59.60</b>

The expenses incurred on account of the above defined contribution plans have been included in Note 33 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

#### 47.2 Defined benefit plans

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

(i) **These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

#### Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

#### Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

### Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

### (ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Retirement Age (years)	58	58
Attrition rate:		
Up to 30 Years	5	5
From 31 to 44 Years	5	5
Above 44 Years	5	5
Discount Rate	6.99%	7.22%
Salary increase	6.00%	6.00%
Expected average remaining working life	26.32	26.95
Mortality Rates	IALM (2012-14)	IALM (2012-14)
Method used	Project unit credit method	Project unit credit method

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

### (iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Service cost	14.74	13.93
Net interest expenses	(0.07)	0.16
	<b>14.67</b>	<b>14.09</b>

The current service cost, past service cost and the net interest expenses for the year are included in Note 33 "Employee Benefits Expenses".

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### (iv) Amounts recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial gain/(losses) arising for the year on asset	0.35	4.87
Actuarial gain/(losses) arising from changes in financial assumptions	(2.30)	(1.26)
Actuarial gain/(losses) arising from changes in experience adjustments	2.98	1.34
	<b>1.03</b>	<b>4.95</b>

### (v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of funded defined benefit obligation	116.43	104.59
Fair Value of Plan Assets	112.56	105.60
<b>Net assets / (liability)</b>	<b>(3.87)</b>	<b>1.01</b>

### (vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening defined benefit obligation	104.59	93.70
Current Service Cost	14.74	13.93
Interest Cost	7.55	6.90
Actuarial (gain)/losses arising from changes in financial assumptions	2.30	1.26
Actuarial (gain)/losses arising from changes in experience adjustments	(2.98)	(1.34)
Benefits paid	(9.77)	(9.86)
<b>Closing defined benefit obligation</b>	<b>116.43</b>	<b>104.59</b>

### (vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening fair value of plan assets	105.60	91.53
Return on plan assets (excluding amounts included in net interest expenses)	7.97	11.61
Contributions from employer	-	2.46
Benefits paid	(1.01)	-
<b>Closing fair value of plan assets</b>	<b>112.56</b>	<b>105.60</b>

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 13.79 years (2024: 13.99 years). The Company expects to make a contribution of ₹17.53 crores (March 31, 2024: ₹16.39 crores) to the defined benefit plans during the next financial year.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### (viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Discount Rate</b>		
0.50% Increase	(4.97)	(4.47)
0.50% decrease	5.39	4.85
<b>Future Salary increase</b>		
0.50% Increase	5.24	4.72
0.50% decrease	(4.88)	(4.40)

### (ix) Maturity Profile of Defined Benefit Obligation

Year	Amount
a) 0 to 1 Year	11.90
b) 1 to 2 Year	9.06
c) 2 to 3 Year	7.89
d) 3 to 4 Year	7.36
e) 4 to 5 Year	7.12
f) 5 to 6 Year	6.57
g) 6 Year onwards	66.54

### 47.3 Other long term employee benefit

(i) Amount recognised in profit and loss in note no. 33 "Employee benefit expense" under the head "Salaries and Wages" towards liability on account of compensated absences ₹8.26 crore (March 31, 2024 : ₹6.32 crore)

(ii) Amount taken to balance sheet

Particulars	As at March 31, 2025	As at March 31, 2024
Current	4.56	3.31
Non Current	18.97	17.78

### 48 Assets pledged as security

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Current assets</b>		
<b>Financial assets</b>		
Trade receivables	1,288.80	1,205.38
<b>Non-financial assets</b>		
Inventory	3,681.80	4,106.96
<b>Total current assets pledged as security</b>	<b>4,970.60</b>	<b>5,312.34</b>
<b>Non-current assets</b>		
Property, plant & equipment	4,074.92	3,693.35
<b>Total non-current assets pledged as security</b>	<b>4,074.92</b>	<b>3,693.35</b>
<b>Total assets pledged as security</b>	<b>9,045.52</b>	<b>9,005.69</b>

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 49 Corporate Social Responsibility

	As at March 31, 2025	As at March 31, 2024
a. Amount required to be spent by the company during the year	24.07	22.24
b. Amount of expenditure incurred*	5.30	5.53
c. Shortfall at the end of the year** (a-b)	18.77	16.71
d. Total of previous years shortfall (2022-23)	4.77	0.51
e. Total of previous years shortfall (2023-24)	12.76	7.29
<b>Total shortfall at year end</b>	<b>36.30</b>	<b>24.51</b>
f. Related party transactions:		
(i) Banarso Devi Oswal Public Charitable trust	-	0.12
(ii) Sri Aurobindo Socio Economic and Management Research Institute	-	0.17
g. Movement of provision:		
- Opening	24.51	18.61
- Provision created during the year:	24.07	22.24
- Spent during the year for FY 2021-22	(0.51)	(0.72)
- Spent during the year for FY 2022-23	(2.52)	(2.03)
- Spent during the year for FY 2023-24	(3.95)	(8.06)
- Spent during the year for FY 2024-25	(5.30)	(5.53)
<b>- Closing</b>	<b>36.30</b>	<b>24.51</b>

#### \*Nature of CSR activities:

Promoting Education, Promoting Healthcare including Preventive Healthcare, Rural Development, Promotion of Art & Culture, Measures for the benefit of armed forces veterans, Promotion of Nationally Recognized Sports.

Amount remaining unspent pertains to "Ongoing/ Multi-layer Projects" approved by CSR committee which will be spent in coming years.

Details of Deposit in Unspent CSR Account:	FY 2024-25	FY 2023-24	FY 2022-23
1. Unspent CSR amount deposited in special account (Unspent CSR Account)	18.77	16.71	15.35
2. Spent during the year for FY 2022-23	-	-	-
3. Spent during the year for FY 2023-24	-	-	(8.06)
4. Spent during the year for FY 2024-25	-	(3.95)	(2.52)
Balance lying in the bank account which will be spent in coming years as on March 31, 2025 {1-(2+3+4)}	18.77	12.76	4.77
Date of deposit	28-Apr-25	29-Apr-24	29-Apr-23

\*The company also has booked liability amounting to ₹1.76 Crs. against the interest received on CSR fixed deposits.

**50** There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company during the year.

**51** The Company has identified two accounting softwares that record financial transactions to which the guidance of audit trail applies. The Company evaluated and noted that in respect of one accounting software the audit trail (edit log) feature was enabled throughout the year. Further, in respect of other accounting software used for purchase, production and sales management, no audit trail log was enabled to log any direct data changes made at the database level during the period April 1, 2024 to September 28, 2024 and audit trail enabled on the accounting software is not configured to track if it was disabled at any point in time during the year.

The audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Company as per statutory requirements for record retention.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

**52** During the current year, the company has reclassified government grant receivable from “Other Non-Current Assets” to Other Financials Assets (Non-Current) amounting to ₹39.52 cr. (March 31, 2024 ₹58.01 cr.)

**53** During the current year, the company has reclassified government grant receivable from “Other Current Assets” to Other Financials Assets (Current) amounting to ₹70.44 crores (March 31, 2024 ₹108.46 crores)

### 54 Other statutory information

- No proceeding have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“funding party”) with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party (“Ultimate beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- During the financial year, the Company has not traded or invested in Crypto currency or Virtual Currency.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has availed facilities from banks on the basis of security of current assets. The revised returns or statements filed by the Company are in agreement with the books of accounts and there are no material discrepancies.
- The Board of Directors of Company have proposed the final dividend of ₹5 per fully paid 28,91,74,800 equity shares. The proposed final dividend is subject to approval of the members at the ensuing Annual General Meeting. The amount of such dividend proposed is in accordance with section 123 of Companies Act, 2013.

## Notes to Standalone Financial Statement for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 55 Ratios

Particulars	Numerator	Denominator	Year ended March 31, 2025	Year ended March 31, 2024	%age change	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	4.80	3.13	53.32%	Refer note 4
(b) Debt-Equity Ratio	Total Debt (excluding lease liabilities)	Shareholder's Equity	0.13	0.20	-36.43%	Refer note 4
(c) Debt-service coverage ratio	Earnings available for debt service: = Net profit after taxes + Depreciation/ amortizations + finance cost	Debt Service: = Finance cost & lease payments + Scheduled principal repayments of Long term Debt	7.23	1.67	333.16%	Refer note 1
(d) Return on equity ratio	Net profits after taxes	Average shareholder's equity	9.56%	7.11%	34.52%	Refer note 1
(e) Inventory turnover ratio	Revenue from operations	Average Inventory	2.46	2.90	-15.11%	-
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	7.69	7.80	-1.44%	-
(g) Trade payables turnover ratio	Total purchases	Average Trade payables	12.46	23.32	-46.58%	Refer note 2
(h) Net Capital turnover ratio	Revenue from operations	Working Capital = Current Assets - Current Liabilities	2.00	2.20	-9.02%	-
(i) Net Profit ratio	Net profits after taxes	Revenue from operations	9.17%	6.53%	40.32%	Refer note 1
(j) Return on capital employed	Earnings before interest and taxes	Capital Employed	11.06%	8.23%	34.27%	Refer note 1
(k) Return on investment	Investment Income	Average Investments	13.91%	10.93%	27.30%	Refer note 3

#### Remarks for more than 25% change in ratios of FY 2024-25 as compared to FY 2023-24:

- This ratio has increased mainly on account of increase in profits.
- This ratio has increased due to increased purchase of raw material during the current year.
- This ratio has increased due to mark to market gains because of changes in yield during the year.
- This ratio has increased mainly on account of decrease in borrowings.

For and on behalf of the Board of Directors

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

**Rajeev Thapar**  
Chief Financial Officer

**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

Place : Ludhiana  
Date: May 03, 2025

# Independent Auditor's Report

To  
The Members of  
**Vardhman Textiles Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Vardhman Textiles Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and the associates referred to in the other matters section below, the aforesaid consolidated 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, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Uncertain income-tax positions - Refer to Notes 2.1, 2.24.7, 36 and 38 to the consolidated financial statement</b></p> <p>The Parent has material uncertain income tax positions including matters under dispute relating to Income Taxes. These matters involve significant management judgement to determine the possible outcome of these disputes.</p>	<p><b>Principal audit procedure performed included the following:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of and performed testing of design, implementation and operating effectiveness of the control established by the Parent with regard to uncertain income tax positions.</li> <li>• We obtained details of complete income tax matters from the Parent's internal tax experts during the year ended March 31, 2025.</li> <li>• We involved our internal direct tax experts to challenge the management's underlying assumptions in estimating the tax provisions and possible outcome of the disputes. Our internal direct tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income Taxes.</li> <li>• Assessed the adequacy of the disclosures made in the financial statements.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report and sustainability Report, Director's Report including annexures to the Director's Report and Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included

in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

### Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹402.54 crores as at March 31, 2025, total revenues of ₹287.66 crores and net cash inflows amounting to ₹0.15 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹47.66 crores for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group and its associates including relevant records so far as it appears from our examination of those books and the reports of the other auditors except for in relation to compliance with the requirement of audit trail, refer paragraph (i)(vi) below.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- h) 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, in our opinion

and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and associate companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies and associate companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 38(a) to the consolidated financial statements;
  - ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and associate companies incorporated in India.
  - iv)(a) The respective Managements of the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 50(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent, its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 50(vi) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries, associates and joint ventures from any person(s) or entity(ies), including foreign entities.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 51 to the consolidated financial statements, the interim dividend declared and paid by the associate which are companies incorporated in India and the Board of Directors of the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent, such subsidiaries and associates at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act:

- The Parent have used accounting software(s) for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares except for the instances mentioned below:

In respect of one accounting software used for maintenance of purchase, production & sales records, audit trail log was not enabled at the data base level to log any direct changes during the period from April 1, 2024 to September 28, 2024; further the software did not have a feature to log the enabling /disabling of the audit trail (edit log) feature at the application level, accordingly we are unable to comment whether the audit log feature was enabled and operated throughout the year for all relevant transactions and whether there were any instances of audit trail feature tempered with.

Further, during the course of audit, we did not come across any instances of audit trail feature being tempered with. Additionally, the audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the parent as per the statutory requirements for record retention, as stated in Note 50A to the financial statements.

- In respect of one subsidiary Company, the other auditor reported, the subsidiary has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction recorded in the software except below:
  - The audit trail facility has not been enabled at the database level to log any direct changes made in the software "NOW" which is used for maintaining quantitative record inventories from April 01, 2024 to September 16, 2024.
  - The audit trail facility in the software "NOW" has been designed in such a way that it is not possible to verify whether such facility had been disabled at any point in time during the year.

Further except as mentioned above, during the course of audit, we did not come across any instance

of audit trail feature being tempered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- In respect of another subsidiary, the other auditors have reported that the subsidiary has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction recorded in the software. Further, during the course of our audit we did not come across any instances of audit trail feature being tempered with. Additionally, the audit trail has been preserved by the subsidiary as per the statutory requirements for record retention.
- In respect of one associate company, the other auditor has reported that, the associate has used the accounting softwares for maintaining its book of account which have a feature of recording audit trail (edit log) facility. The feature of recording audit trail (edit log) facility for one of the accounting software has operated throughout the year except for certain tables/fields relating to financial reporting and payroll where the same were enabled from 1 May 2024. In addition, the feature of audit trail has been enabled at database layer for the said software with effect from 16 September 2024 except for one database user. For the period where audit trail (edit log) facility was enabled and operated we did not come across any instance of audit trail feature being tampered with. In respect of one other accounting software, used for maintenance of purchase, production & sales records, the said software did not have a feature to log the enabling/disabling of the audit trail (edit log) feature at the application level and database layer. Accordingly, we are unable to comment whether the audit log feature was enabled and operated throughout the year for all relevant transaction recorded in this software & whether there were any instances of the audit trail feature being tempered with. Additionally, except for the instances where audit trail was not enabled in prior year for one of the software, the audit trail has been preserved by the Company as per statutory requirements for record retention.
- In respect of other associate company, the other auditors has reported that except for the instances

disclosed in note 50B of the consolidated financial statements of the associate have used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has not operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, associate's auditor did not come across any instances of the audit trail feature being tampered with except that associate's auditor are unable to comment whether there were any instances of the audit trail feature being tampered with as explained in the aforesaid note.

- In respect of other associate company, the other auditors have reported that the Company has

- not maintained its books of accounts/ records in electronic mode by using an accounting software.
- 2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kanav Kumar**

(Partner)  
(Membership No. 507230)  
(UDIN: 25507230BMOMGQ4591)

Place: Noida  
Date: May 03, 2025

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Vardhman Textiles Limited (hereinafter referred to as "Parent") and its subsidiary companies and its associate companies which are companies incorporated in India, as of that date.

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its associate companies which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies and its associate companies which are companies incorporated in India.

### Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of

the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two subsidiary companies and three associate companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kanav Kumar**

(Partner)

(Membership No. 507230)  
(UDIN: 25507230BMOMGQ4591)

Place: Noida  
Date: May 03, 2025

## Consolidated Balance Sheet

as at March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3A	4,121.08	3,737.54
(b) Capital work-in-progress	3A	251.91	60.79
(c) Right-of-Use Asset	43	19.06	19.38
(d) Other intangible assets	3B	7.82	9.64
(e) Goodwill	4	2.46	2.46
(f) Financial assets			
(i) Investment in associates	5A	243.04	219.49
(ii) Investments	5B	1,138.03	1,253.45
(iii) Loans	6A	1.21	1.27
(iv) Others financial assets	6B	63.26	74.73
(g) Income tax assets (net)	14	77.51	52.91
(h) Other non-current assets	7	202.11	117.54
<b>Total Non-current assets</b>		<b>6,127.49</b>	<b>5,549.20</b>
<b>Current assets</b>			
(a) Inventories	8	3,761.48	4,179.89
(b) Financial assets			
(i) Investments	9	462.52	226.12
(ii) Trade receivables	10	1,297.57	1,220.26
(iii) Cash and cash equivalents	11	53.56	34.30
(iv) Bank balances other than above	11A	35.46	53.49
(v) Loans	12	2.14	2.24
(vi) Other financial assets	13	116.80	123.92
(c) Other current assets	15	575.08	591.29
(d) Assets held-for-sale	15A	-	0.08
<b>Total Current assets</b>		<b>6,304.61</b>	<b>6,431.59</b>
<b>TOTAL ASSETS</b>		<b>12,432.10</b>	<b>11,980.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	56.90	56.90
(b) Other equity	17	9,839.12	9,043.23
<b>Equity attributable to the owners of the Company</b>		<b>9,896.02</b>	<b>9,100.13</b>
(c) Non-controlling interests		69.62	87.91
<b>Total Equity</b>		<b>9,965.64</b>	<b>9,188.04</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	748.99	413.13
(ii) Lease Liability	19A	0.19	0.18
(iii) Other financial liabilities	19	0.59	0.75
(b) Provisions	20	19.48	18.31
(c) Deferred tax liabilities (Net)	21	323.48	285.01
(d) Other non-current liabilities	22	11.68	13.28
<b>Total Non-current liabilities</b>		<b>1,104.41</b>	<b>730.67</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	489.08	1,378.04
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		51.05	24.04
(b) total outstanding dues of trade payable other than micro enterprises and small enterprises		445.56	334.33
(iii) Other financial liabilities	25	247.32	205.86
(b) Other current liabilities	27	81.48	76.24
(c) Provisions	26	4.68	3.76
(d) Income tax liabilities (net)	14	42.88	39.81
<b>Total Current liabilities</b>		<b>1,362.05</b>	<b>2,062.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,432.10</b>	<b>11,980.79</b>
See accompanying notes to the consolidated financial statements	1 - 54		

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

<b>Kanav Kumar</b> Partner	<b>Sanjay Gupta</b> Company Secretary Membership No:-4935	<b>Rajeev Thapar</b> Chief Financial Officer	<b>Suchita Jain</b> Vice Chairperson and Joint Managing Director DIN:00746471	<b>S.P. Oswal</b> Chairman and Managing Director DIN: 00121737
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Place : Noida  
Date: May 03, 2025

Place : Ludhiana  
Date: May 03, 2025

## Consolidated Statement of Profit and Loss

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>I Revenue from operations</b>	28	9,784.88	9,504.68
<b>II Other income</b>	29	335.96	325.94
<b>III Total Income (I+II)</b>		<b>10,120.84</b>	<b>9,830.62</b>
<b>IV Expenses :</b>			
Cost of materials consumed	30	5,425.64	5,495.80
Purchases of stock-in-trade	31	10.39	1.62
Changes in inventories of finished goods and work-in-progress	32	(34.64)	96.40
Employee benefits expense	33	887.49	839.98
Finance costs	34	77.28	102.28
Depreciation and amortization	3A, 3B & 43	400.92	404.59
Other expenses	35	2,233.25	2,097.67
<b>Total Expenses</b>		<b>9,000.33</b>	<b>9,038.34</b>
<b>V Profit before tax (III-IV)</b>		<b>1,120.51</b>	<b>792.28</b>
<b>VI Share of profit of associates</b>		47.73	42.65
<b>VII Profit before tax (V+VI)</b>		<b>1,168.24</b>	<b>834.93</b>
<b>VIII Tax expense:</b>	36		
Current tax		242.81	181.51
Deferred tax		38.71	16.72
<b>IX Profit for the year (VII-VIII)</b>		<b>886.72</b>	<b>636.70</b>
<b>X Other Comprehensive Income</b>	17		
Items that will not be reclassified to profit or loss			
(a) (i) Remeasurements of the defined benefits plans		1.14	4.88
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.29)	(1.27)
(b) Share of other comprehensive income from associates, to the extent not be reclassified to profit and loss		(0.08)	(0.06)
(c) (i) Equity instruments through other comprehensive income		0.39	0.37
(ii) Income taxes relating to items that will not be reclassified to profit or loss		(0.32)	(0.03)
<b>XI Total other comprehensive income</b>		<b>0.84</b>	<b>3.89</b>
<b>XII Total comprehensive income for the year (IX+XI)</b>		<b>887.56</b>	<b>640.59</b>
Profit attributable to:			
- Owners of the Company		883.27	631.59
- Non-controlling interests		3.45	5.11
		<b>886.72</b>	<b>636.70</b>
Other Comprehensive Income attributable to:			
- Owners of the Company		0.86	3.84
- Non-controlling interests		(0.02)	0.05
		<b>0.84</b>	<b>3.89</b>
Total Comprehensive Income attributable to:			
- Owners of the Company		884.13	635.42
- Non-controlling interests		3.43	5.17
		<b>887.56</b>	<b>640.59</b>
<b>Earnings per equity share (amount in ₹)</b>	41		
(1) Basic		31.05	22.20
(2) Diluted		31.05	22.20
See accompanying notes to the consolidated financial statements	1 - 54		

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

<b>Kanav Kumar</b> Partner	<b>Sanjay Gupta</b> Company Secretary Membership No:-4935	<b>Rajeev Thapar</b> Chief Financial Officer	<b>Suchita Jain</b> Vice Chairperson and Joint Managing Director DIN:00746471	<b>S.P. Oswal</b> Chairman and Managing Director DIN: 00121737
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Place : Noida  
Date: May 03, 2025

Place : Ludhiana  
Date: May 03, 2025

## Consolidated Statement of Cash Flow

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,168.24	834.93
Adjustments for:		
Share of profit of associates	(47.73)	(42.65)
Interest Expense	58.82	88.92
Gain on Fair valuation of Investment (net)	(98.48)	(94.65)
Subsidy from Government	(1.55)	(1.58)
Interest income	(37.04)	(53.69)
Dividend on current investments	(0.22)	(0.22)
Net gain on sale / discarding of property, plant and equipment	(44.42)	(7.35)
(Profit)/Loss on sale of Investments (Net)	(49.77)	(58.31)
Provision no longer required written back(Net)	(4.53)	(17.02)
Asset written off	1.91	2.70
Bad debt written off	9.95	0.94
Allowances for expected credit loss (net)	0.51	0.13
Depreciation and amortisation	400.92	404.59
ESOP provision created	8.52	-
Derivative financial Instrument	2.48	-
Provision for compensated absences	23.27	20.89
Changes in working capital:		
<b>Adjustments for (increase) / decrease in operating assets :-</b>		
Trade receivables	(87.77)	(30.34)
Inventories	418.41	(1,787.21)
Loans	0.16	0.32
Other assets (Current)	15.01	(45.87)
Other assets (Non-current)	(6.17)	(63.02)
Others financial assets (Current)	2.61	2.53
Others financial assets (Non Current)	18.49	0.07
<b>Adjustments for increase / (decrease) in operating liabilities :-</b>		
Trade payables	142.80	15.47
Provisions (Current and Non-curent)	(21.18)	(19.68)
Others financial liabilities (Current)	3.69	16.77
Others financial liabilities (Non-Current)	(0.16)	(2.73)
Other liabilities (Non-current)	(0.12)	(0.17)
Other liabilities (Current)	5.24	(6.31)
<b>Cash generated from operations</b>	<b>1,881.89</b>	<b>(842.54)</b>
Income taxes paid (net of refund received)	(238.09)	(212.65)
<b>Net cash generated from/ (used in) operating activities</b>	<b>1,643.80</b>	<b>(1,055.19)</b>

## Consolidated Statement of Cash Flow (contd.)

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments (Non-current)	(2.70)	-
Proceeds from sale of Investments (Non-current)	57.27	170.03
Proceeds from/(Purchase) of current investments (net)	(27.81)	875.36
Interest received	13.95	66.97
Payment for purchase of property, plant and equipment, (Including capital work in progress, intangible assets and capital advances)	(1,032.62)	(284.03)
Bank balances not considered as cash and cash equivalents	12.07	265.29
Proceeds from disposal of property, plant and equipment	63.89	9.76
Dividend on associates, other investments	24.32	0.22
<b>Net cash generated from/ (used in) investing activities</b>	<b>(891.63)</b>	<b>1,103.60</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES*</b>		
Proceeds from equity share capital/share application	-	0.73
Proceeds from borrowings (non-current)	421.13	20.68
Repayment of borrowings (non-current)	(538.67)	(402.29)
Proceeds/Repayment of borrowings (current)	(435.43)	495.46
Dividends on equity share capital paid	(118.44)	(105.63)
Interest Paid	(61.50)	(98.66)
<b>Net cash generated from/ (used in) Financing activities (A+B+C)</b>	<b>(732.91)</b>	<b>(89.71)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>19.26</b>	<b>(41.30)</b>
Cash and cash equivalents at the beginning of the year	34.30	75.60
<b>Cash and cash equivalents at the end of the year</b>	<b>53.56</b>	<b>34.30</b>

\*There are no non cash changes arising from financing activities.

See accompanying notes to the consolidated financial statements 1 - 54

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kanav Kumar**  
Partner

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

**Rajeev Thapar**  
Chief Financial Officer

**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

Place : Noida  
Date: May 03, 2025

Place : Ludhiana  
Date: May 03, 2025

For and on behalf of the Board of Directors

## Consolidated Statement of Changes in Equity

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

### a. Equity share capital

Particulars	Amount
<b>Balance as at April 01, 2023</b>	<b>56.84</b>
Issue of equity shares under employee stock option plan (Refer note 44)	0.05
Addition due to sale of shares by Subsidiary	-
<b>Balance as at March 31, 2024</b>	<b>56.89</b>
Issue of equity shares under employee stock option plan (Refer note 44)	-
Addition due to sale of shares by Subsidiary	-
<b>Balance as at March 31, 2025</b>	<b>56.89</b>

### b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus				Item of other comprehensive income		Total		
		Capital reserve	Statutory Reserve u/s 45 IC of RBI	Capital redemption reserve	Security premium	Share options outstanding account	General reserve		Retained earnings	Equity instrument through other comprehensive income
<b>Balance at April 1, 2023</b>	<b>0.05</b>	<b>0.40</b>	<b>13.91</b>	<b>40.43</b>	<b>51.36</b>	<b>0.62</b>	<b>1,516.88</b>	<b>6,880.62</b>	<b>2.28</b>	<b>8,506.55</b>
Profit for the year	-	-	-	-	-	-	-	631.59	-	631.59
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	3.62	0.27	3.89
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>635.21</b>	<b>0.27</b>	<b>635.48</b>
Share Application Money received under employee stock options.	0.73	-	-	-	-	-	-	-	-	0.73
Securities premium on shares under Employee stock options	-	-	-	-	1.22	-	-	-	-	1.22
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(0.78)	-	-	-	-	-	-	-	-	(0.78)
Final Equity Dividend for the financial year 2022-23 (Amount ₹3.50 per share)	-	-	-	-	-	(0.62)	0.18	-	-	(0.44)
Transfer from Employee Stock Options accounts to General Reserve	-	-	0.36	-	-	-	-	(0.36)	-	-
Transfer to Statutory Reserve under 45-IC of RBI Act	-	0.40	14.27	40.43	52.58	-0.00	1,517.06	7,415.94	2.55	9,043.23
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>0.40</b>	<b>14.27</b>	<b>40.43</b>	<b>52.58</b>	<b>-0.00</b>	<b>1,517.06</b>	<b>7,415.94</b>	<b>2.55</b>	<b>9,043.23</b>

## Consolidated Statement of Changes in Equity (contd.)

for the year ended March 31, 2025 Corporate Identity Number (CIN): L17111PB1973PLC003345  
(All amounts in ₹ crores, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and Surplus				Item of other comprehensive income		Total		
		Capital reserve	Statutory Reserve u/s 45 IC of RBI	Capital redemption reserve	Security premium	Share options outstanding account	General reserve		Retained earnings	Equity instrument through other comprehensive income
Profit for the year	-	-	-	-	-	-	-	883.27	-	883.27
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	0.85	(0.01)	0.84
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>884.12</b>	<b>(0.01)</b>	<b>884.11</b>
Final Equity Dividend for the financial year 2023-24 (Amount ₹4 per share)	-	-	-	-	-	-	-	(113.81)	-	(113.81)
Adjustment on account of dividend paid to minority in earlier years	-	-	-	-	-	-	-	17.05	-	17.05
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	1.11	-	-	-	-	(1.11)	-	-
ESOP provision created	-	-	-	-	-	8.52	-	-	-	8.52
<b>Balance as at March 31, 2025</b>	<b>-</b>	<b>0.40</b>	<b>15.38</b>	<b>40.43</b>	<b>52.58</b>	<b>8.52</b>	<b>1,517.06</b>	<b>8,202.21</b>	<b>2.54</b>	<b>9,839.12</b>

See accompanying notes to the consolidated financial statements 1 - 54

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

**Kanav Kumar**  
Partner

Place : Noida  
Date: May 03, 2025

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

Place : Ludhiana  
Date: May 03, 2025

**Rajeev Thapar**  
Chief Financial Officer

For and on behalf of the Board of Directors  
**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 1 GENERAL INFORMATION

Vardhman Textiles Limited (“the Parent Company”) is a public Company, which was incorporated under the provisions of the Companies Act, 1956 on October 8, 1973 and has its registered office at Chandigarh Road, Ludhiana. The name of the Company at its incorporation was Mahavir Spinning Mills Limited and subsequently changed to Vardhman Textiles Limited on September 5, 2006. The Company is engaged in manufacturing of cotton yarn, synthetic yarn, woven fabric and Garments. The Company is listed on two stock exchanges i.e. at National Stock Exchange and at Bombay Stock Exchange.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 3, 2025.

### 2 Material Accounting Policies

#### 2.1 Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

#### 2.2 Basis of preparation and presentation

The consolidated financial statements of the company, its subsidiaries and its associates (together “the Group”) have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions

that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36 and Ind AS 19 for gratuity and leave encashment purpose.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

#### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company’s accounting policies.

All intra Company’s assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 2.4 Changes in the Company’s ownership interests in existing subsidiaries

Changes in the Company’s ownership interests in subsidiaries that do not result in the Company’s losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

#### 2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

In case any goodwill impairment is identified the same is approved by the board of directors and recorded in the books of accounts and disclosed appropriately.

#### 2.6 Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company’s share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Company’s share of losses of an associate exceeds the Company’s interest in that associate (which includes any long-term interests that, in substance, form part of the Company’s net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company’s share of the net fair value of the identifiable

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assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Company retains an interest in the former associate and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate of the Company, profits and losses resulting from the transactions with

the associate are recognised in the Company's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

### 2.7 Revenue recognition

The Group recognises revenue from contracts with customers when the control of the goods or services is transferred to the customers on satisfaction of distinct performance obligations at the amount of transaction price (net of discounts, rebates etc.), excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Amount disclosed as revenue are net of returns and allowances, trade discounts and rebates.

The Group is generally the principal as it typically controls the goods or services before transferring them to the customer.

The Group disaggregates revenue from contracts with customers by nature of goods and service.

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

The revenue in respect of RoDTEP, duty drawback and similar other export benefits is recognized in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

#### 2.7.1 Dividend income

Dividend on financial assets is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### 2.7.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 2.7.3 Contract balances - Trade receivables

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

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not contain a significant financing component are measured at transaction price.

### 2.8 Government grants

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 grants recoverable upto financial year 2017-18 are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company had opted to present the grant received/receivable after April 01, 2018 related to assets as deduction from the carrying value of such specific assets.

If the companies, has complied with the conditions attached to the particulars/scheme then, it rightful become entitle to the incentives attached to the scheme. Accordingly, such incentive receivable will fall under the definition of financial instruments and will be accounted as a financial assets as per Ind AS 109.

### 2.9 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 those 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 capitalisation.

### 2.10 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 2.11 Employee benefits

#### 2.11.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### 2.11.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave in the period



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the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### 2.12 Share-based payment arrangements

#### Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 44.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

### 2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 2.13.1 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. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from

the tax authorities, using the tax rates that have been enacted or substantively enacted by the Balance Sheet.

#### 2.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

#### 2.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### 2.13.4 Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with

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uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances
- The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments.

### 2.14 Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

The Cost of an item of Property, plant and equipment comprises:

- its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates
- any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The Group has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

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

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

Buildings	3 - 60 years
Plant and Equipment	5 - 40 years
Furniture and Fixtures & Office Equipment	3- 10 years
Vehicles	8 - 10 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. 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.

### 2.15 Intangible assets

#### 2.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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The Group has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

### 2.15.2 De-recognition 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, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 2.15.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer softwares	6 years
Contribution to Common effluent treatment plant (CETP)	5 years
Right to use power lines	5 Years

### 2.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.17 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

### In case of by-products at estimated realizable value

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

### 2.18 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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The amount recognised 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).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.19 Financial instruments

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

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

#### 2.19.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

#### 2.19.1.1 Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Interest income is recognised in profit or loss for instruments measured at Fair value through other comprehensive income (FVTOCI). All other financial assets are subsequently measured at fair value.

#### 2.19.1.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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### 2.19.1.3 Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make 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.

This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised 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 profit or loss on disposal of the investments. A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

### 2.19.1.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation

eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL/FVTOCI.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 2.19.1.5 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. The Group follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 2.19.1.6 Derecognition of financial assets

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it

no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 2.19.1.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

### 2.19.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### 2.19.2.1 Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### 2.19.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 2.19.2.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 2.19.3 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and to manage its exposure to imported raw material price risk including foreign exchange forward contracts and commodities future contracts. Further details of derivative financial instruments are disclosed in note 37.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### 2.19.4 Equity instrument

Equity instrument are any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities. Debt or equity instruments issued by the Group 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.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. The equity shares of the Company held by it through a trust are presented as deduction from total equity, until they are cancelled or sold.

### 2.20 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 2.21 Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standards (Ind-AS)-108 "Segment Reporting" the Managing Director of the Company is the Chief Operating Decision maker (CODM) and the purposes of resource allocation and assessment of segment performance of the business is a segregated in the segment below:-

-Textiles

-Fibre

### 2.22 Leases

#### The Group as Lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### The Group as a lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### 2.23 Assets held for sale

The Company classifies non current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

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- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

### 2.24 Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, which are described as stated above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

#### 2.24.1 Significant influence over associates

Note 45 describe the entities as associates of the Company as the Company owns:-

- in Vardhman Special Steels Limited (VSSL):- 24.69 percent ownership interest
- in Vardhman Spinning and General Mills Limited(VSGM):- 50.00 percent ownership interest
- in Vardhman Yarns and Threads Limited(VYTL):- 11.00 percent ownership interest

The group has significant influence in over VSSL and VSGM associates above by the virtue of ownership interest. However in case of VYTL significant influence is not only by the virtue of ownership interest but also due to contractual right to appoint managing director and no significant business decisions relating to debts restructuring and business restructuring in the above said associate can be implemented without prior approval of the Company.

#### 2.24.2 Key sources of uncertainty

In the application of the Group accounting policies, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based

on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### 2.24.3 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and future pension increases. 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.

#### 2.24.4 Useful lives of depreciable tangible assets and intangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

As at March 31, 2024 management assessed that the useful lives represent the expected utility of the assets to the Group.

#### 2.24.5 Fair Value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the respective Company approves the fair values determined by the Chief Financial Officer of the respective Company including determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Chief financial officer works closely with the qualified external valuers to establish appropriate valuation techniques and inputs to the model.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 37.

### 2.24.6 Contingent Liability

In ordinary course of business, the Group faces claims by various parties. The Group annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

### 2.24.7 Income Tax

The Group's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

### 2.24.8 Inventory

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence

available at each reporting date. The future realization of these inventories may be affected by market driven changes.

### 2.24.9 Government grant receivables

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received. As government grant falls under the definition of financial instruments, the group accounted as a financial assets as per Ind AS 109. As on March 31, 2025, the management, has re-assessed the recoverability of the subsidy receivable from the government and accordingly recognized the provision for expected credit loss (ECL) in view of anticipation of delay in the receipt of TUFF subsidy basis the past experience and ongoing follow-ups/interaction with the authorities, is of the view that the outstanding amount is good and recoverable as on March 31, 2025. Refer Note 6 and 13.

### 2.25 Applicability of new and revised IND AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its consolidated financial statements

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Carrying amount of</b>		
Freehold land	123.99	122.13
Buildings	1,105.53	1,089.08
Plant and equipment	2,846.22	2,483.06
Furniture and fixtures	16.87	14.31
Vehicles	11.49	11.80
Office equipment	16.98	17.16
<b>Total Property, plant and equipment</b>	<b>4,121.08</b>	<b>3,737.54</b>
Capital work-in-progress	251.91	60.79
	<b>4,372.99</b>	<b>3,798.33</b>

Cost or Deemed Cost	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>As at April 01, 2023</b>	<b>117.30</b>	<b>1,401.35</b>	<b>4,839.51</b>	<b>21.79</b>	<b>21.90</b>	<b>68.68</b>	<b>6,470.56</b>
Addition	4.88	19.01	193.67	5.67	2.92	5.76	231.91
Disposal/Adjustments	(0.05)	(5.09)	(11.07)	(0.01)	(2.54)	(0.58)	(19.34)
<b>As at April 01, 2024</b>	<b>122.13</b>	<b>1,415.27</b>	<b>5,022.11</b>	<b>27.45</b>	<b>22.28</b>	<b>73.86</b>	<b>6,683.13</b>
Addition	3.48	64.67	719.89	5.15	2.39	6.12	801.72
Disposal/Adjustments	(1.63)	(1.08)	(63.14)	(0.25)	(2.64)	(1.19)	(69.95)
<b>As at March 31, 2025</b>	<b>123.99</b>	<b>1,478.84</b>	<b>5,678.86</b>	<b>32.34</b>	<b>22.02</b>	<b>78.78</b>	<b>7,414.81</b>
<b>Accumulated depreciation</b>							
<b>As at April 01, 2023</b>	-	<b>279.76</b>	<b>2,204.47</b>	<b>11.03</b>	<b>10.16</b>	<b>51.39</b>	<b>2,556.82</b>
Depreciation	-	47.60	345.48	2.13	2.06	5.82	403.09
Disposal/Adjustments	-	(1.17)	(10.88)	(0.01)	(1.74)	(0.51)	(14.31)
<b>As at March 31, 2024</b>	-	<b>326.19</b>	<b>2,539.07</b>	<b>13.15</b>	<b>10.48</b>	<b>56.70</b>	<b>2,945.60</b>
Depreciation	-	47.58	340.02	2.53	2.04	6.17	398.33
Disposal/Adjustments	-	(0.45)	(46.43)	(0.19)	(1.98)	(1.05)	(50.10)
<b>As at March 31, 2025</b>	-	<b>373.32</b>	<b>2,832.66</b>	<b>15.48</b>	<b>10.54</b>	<b>61.82</b>	<b>3,293.83</b>
<b>Carrying amount</b>							
<b>As at April 01, 2023</b>	<b>117.30</b>	<b>1,121.59</b>	<b>2,635.06</b>	<b>10.77</b>	<b>11.74</b>	<b>17.29</b>	<b>3,913.75</b>
Addition	4.88	19.01	193.67	5.67	2.92	5.76	231.91
Disposal/Adjustments	(0.05)	(3.92)	(0.19)	-	(0.80)	(0.07)	(5.03)
Depreciation	-	(47.60)	(345.48)	(2.13)	(2.06)	(5.82)	(403.09)
<b>As at March 31, 2024</b>	<b>122.13</b>	<b>1,089.08</b>	<b>2,483.06</b>	<b>14.31</b>	<b>11.80</b>	<b>17.16</b>	<b>3,737.54</b>
Addition	3.48	64.67	719.89	5.15	2.39	6.12	801.72
Disposal/Adjustments	(1.63)	(0.63)	(16.72)	(0.06)	(0.67)	(0.14)	(19.85)
Depreciation	-	(47.58)	(340.02)	(2.53)	(2.04)	(6.17)	(398.33)
<b>As at March 31, 2025</b>	<b>123.99</b>	<b>1,105.53</b>	<b>2,846.22</b>	<b>16.87</b>	<b>11.49</b>	<b>16.98</b>	<b>4,121.08</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Notes on property, plant and equipment

- Refer to note 18(a) for information on property, plant and equipment pledged as security by the Group.
- The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹76.62 Crore (FY 2023-24 22.67 Crores) (related to non cenvatable portion of total duty saved) for financial year 2024-25, such benefit is related to Property, Plant and Equipment and Capital work in progress.
- Buildings includes ₹2.48 crores (March 31, 2024: ₹2.48 crores) cost of residential flats at Mandideep, the land cost of which has not been excluded from this cost. The depreciation for the year has been taken on the entire cost.
- Also refer Note 2.14 for option used by the Group to use carrying value of previous GAAP as deemed cost as on April 1, 2015.
- Capital-work-in progress (CWIP) ageing schedule:

(Amount in ₹ crores)

Project in progress	Amount in CWIP for a period of:				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025	245.40	4.64	0.22	1.65	251.91
As at March 31, 2024	48.66	2.28	9.68	0.17	60.79

- There are no overdue or cost overrun projects compared to its original plan on the above mentioned reporting dates.
- The title deeds of all immovable properties are held in the name of the Company. Where immovable properties are acquired by the Company consequent to acquisition / merger of companies, the title to the immovable properties of the transferee companies shall be deemed to have been mutated in the name of the Company as per the scheme of amalgamation approved by National Company Law Tribunal / Court.
- During the year a portion of land amounting to ₹1.62 crores was acquired under compulsory acquisition by Rail Vikas Nigam Ltd (RVNL) & National Highways Authority of India (NHAI) at a consideration of ₹25.78 crores and ₹3.36 crores respectively.

### 3B Other intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Carrying amount of</b>		
Computer Softwares	2.21	2.45
Contribution to Common Effluent Treatment Plant (CETP)	-	-
Right to use power lines	5.62	7.19
	<b>7.82</b>	<b>9.64</b>

Cost or Deemed Cost	Computer Softwares	Contribution to Common Effluent Treatment Plant (CETP)	Right to use power lines	Total
<b>Balance as at March 31, 2023</b>	<b>15.02</b>	<b>0.63</b>	<b>4.56</b>	<b>20.21</b>
Addition	1.20	-	7.84	9.04
Disposal	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>16.22</b>	<b>0.63</b>	<b>12.40</b>	<b>29.25</b>
Addition	0.45	-	-	0.45
Disposal	(0.08)	-	-	(0.08)
<b>Balance as at March 31, 2025</b>	<b>16.59</b>	<b>0.63</b>	<b>12.40</b>	<b>29.62</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Cost or Deemed Cost	Computer Softwares	Contribution to Common Effluent Treatment Plant (CETP)	Right to use power lines	Total
<b>Accumulated amortisation</b>				
<b>Balance as at March 31, 2023</b>	<b>13.21</b>	<b>0.63</b>	<b>4.55</b>	<b>18.39</b>
Amortization expenses	0.56	-	0.66	1.22
Disposal	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>13.77</b>	<b>0.63</b>	<b>5.21</b>	<b>19.61</b>
Amortization expenses	0.69	-	1.57	2.26
Disposal	(0.08)	-	-	(0.08)
<b>Balance as at March 31, 2025</b>	<b>14.39</b>	<b>0.63</b>	<b>6.78</b>	<b>21.80</b>
<b>Carrying amount</b>				
<b>Balance as at March 31, 2023</b>	<b>1.81</b>	<b>-</b>	<b>0.01</b>	<b>1.82</b>
Addition	1.20	-	7.84	9.04
Amortisation expenses	(0.56)	-	(0.66)	(1.22)
<b>Balance as at March 31, 2024</b>	<b>2.45</b>	<b>-</b>	<b>7.19</b>	<b>9.64</b>
Addition	0.45	-	-	0.45
Amortisation expenses	(0.69)	-	(1.57)	(2.26)
<b>Balance as at March 31, 2025</b>	<b>2.21</b>	<b>-</b>	<b>5.62</b>	<b>7.82</b>

Note: These intangible assets are not internally generated  
Also refer Note 2.15.1 for option used by the Group to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

### 4 Goodwill\*

Particulars	As at March 31, 2025	As at March 31, 2024
Deemed Cost	2.46	2.46
Additions	-	-
Disposal	-	-
<b>Carrying Value at the end</b>	<b>2.46</b>	<b>2.46</b>

\* Refer note 2.5

### Allocation of goodwill to cash generating units (CGU):

Goodwill has been allocated for impairment testing purposes to the following cash generating units:

Particulars	As at March 31, 2025	As at March 31, 2024
Goodwill has been allocated for impairment testing purposes to the following cash generating units:		
Vardhman Acrylics Limited	2.46	2.46
	<b>2.46</b>	<b>2.46</b>

### Vardhman Acrylics Limited

No indications for impairment. No impairment losses have been recognised.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 5A Investments in Associates

Particulars	As at March 31, 2025	As at March 31, 2024
<b>TRADE INVESTMENTS (at cost/carrying value)</b>		
<b>Financial assets carried at cost</b>		
<b>a. Break up of equity investments in associates (carrying amount determined using equity method of accounting)</b>		
<b>(i) Investment in Associates</b>		
<b>Quoted</b>		
2,01,72,666 (March 31, 2024: 2,01,72,666) Equity shares of ₹10/- each fully paid up of Vardhman Special Steels Limited	144.88	126.00
62,69,699 (March 31, 2024: 62,69,699) Equity shares of ₹10/- each fully paid up of Vardhman Yarns & Threads Limited	98.10	93.42
25,000 (March 31, 2024 : 25,000) Equity shares of ₹10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.06	0.07
<b>Total</b>	<b>243.04</b>	<b>219.49</b>

### 5B Other Investments (Non-Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets measured at fair value through other comprehensive income</b>		
<b>(i) Investment in equity instruments (unquoted - at cost/carrying value)</b>		
41,000 (March 31, 2024: 41,000) Equity-Shares of ₹10/- each fully paid-up of Shivalik Solid Waste Management Limited	0.17	0.16
1,40,625 (March 31, 2024: 1,40,625) Equity shares of ₹10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	2.36	2.10
2,225 (March 31, 2024: 2,225) Equity shares of ₹10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.27	0.25
16,47,525 (March 31, 2024: 16,47,525) Equity Shares of Narmada Clean Tech Limited. of ₹10/- each fully paid up	3.40	3.30
<b>Other Investments:-</b>		
<b>Financial assets measured at fair value through Profit and loss</b>		
<b>(ii) Investment in Bonds/ Preference shares/ Debentures/Mutual Funds (quoted)</b>		
**6,660 (March 31, 2024 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of ₹7,500/- each fully paid of IL&FS Financial Services Limited	-	-
**820 (March 31, 2024: 820) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹7,500/- each fully paid of IL & FS Financial Services Limited.	-	-
**10,000 (March 31, 2024:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹7,500/- each fully paid of IL&FS Financial Services Limited	-	-
NIL (March 31, 2024 : 4,77,412.00) units of ₹1,000 each of Bharat Bond ETF APRIL 2025	-	57.16
11,98,61,898.919 (March 31, 2024: 11,98,61,898.919) units of ₹10 each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - Apr 2026 50:50 Index Fund - Direct Plan Growth	153.37	142.34
2,49,98,750.062 (March 31, 2024: 2,49,98,750.062) units of ₹10 each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth Plan	30.98	28.66
3,49,98,250.087 (March 31, 2024: 3,49,98,250.087) units of ₹10 each of Kotak FMP Series 292 - Direct Plan Growth	43.40	40.22
4,99,97,500.120 (March 31, 2024: 4,99,97,500.12) units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 49 (1,823 Days) - Direct Plan Growth	61.89	57.26

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 5B Other Investments (Non-Current) (contd.)

Particulars	As at March 31, 2025	As at March 31, 2024
2,49,98,750.062 (March 31, 2024: 2,49,98,750.062) Units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 46 (1,850 Days) Direct Plan Growth	31.28	29.04
NIL (March 31, 2024: 4,99,97,500.125) units of ₹10 each of SBI FMP Series 41 - 1,498 Days -Direct Plan Growth	-	58.74
2,99,98,500.075 (March 31, 2024: 2,99,98,500.075) units of ₹10 each of SBI FMP Series 42 - 1,857 Days -Direct Plan Growth	38.15	35.41
3,49,27,229.892 (March 31, 2024:3,49,27,229.892) units of ₹10 each of Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct plan- Growth (erstwhile IDFC Gilt 2027 Index Fund Direct Plan- Growth)	44.36	40.99
8,28,86,002.658 (March 31, 2024: 8,28,86,002.658) units of ₹10 each of SBI CPSE Bond Plus SDL Sep 2026- 50:50 Index Fund Direct Plan Growth	99.88	92.68
1,25,00,000 (March 31, 2024: 1,25,00,000) units of ₹100 each of Nippon India ETF Nifty SDL - 2026 Maturity Growth	161.45	149.80
NIL (March 31, 2024: 4,98,39,012.067) units of ₹10 each of Edelweiss CRISIL PSU Plus SDL- 50:50 Oct 2025 Index Fund - Direct Plan Growth	-	55.39
4,79,18,783.305 (March 31, 2024 : 4,79,18,783.305) units of ₹10 each of TATA NIFTY SDL PLUS AAA PSU BOND DEC 2027 60:40 Index Fund - Direct Plan- Growth	58.33	53.80
14,55,82,797.441 (March 31, 2024 :14,55,82,797.441) units of ₹10 each of Aditya Birla Sun Life CRISIL IBX 60:40 SDL +AAA PSU - APR 2027 Index Fund Direct Growth	174.28	161.28
9,67,53,749.637 (March 31, 2024 : 9,67,53,749.637) units of ₹10 each of Kotak Nifty SDL APR 2027 top 12 Equal Weighted Index Fund Direct Plan - Growth	116.50	107.52
24,998,750.062 (March 31, 2024:24,998,750.062) units of ₹10 each of Aditya Birla Sunlife Fixed Term Plan Series-TI (1,837 Days) -Direct Growth	31.32	28.98
47,657,528 (March 31, 2024: 47,657,528) Units of ₹10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	60.98	56.58
NIL (31 March 2024: 246,634) Units of ₹1000/- each of Edelweiss Bharat Bond ETF 2025	-	29.53
99,850,21.74 units (March 31, 2024: 99,850,21.74 units) of ₹10/- each fully paid-up of SBI CPSE BP SDL SEP 2026 50:50 INDEX-DIR-GR	12.03	11.16
1,00,00,100.031 (March 31, 2024: 100,00,100.031) of each ₹10/- each fully paid-up of Edelweiss Crisil PSU Plus SDL 50:50 Oct 2025 Index Fund-Direct Plan Growth	10.91	11.11
263,993.01 units (March 31, 2024: NIL units) of ₹10/- each fully paid-up of Motilal Oswal BSE Enhanced Value Index Fund - Direct Option	0.61	-
400,634.36 units (March 31, 2024: NIL units) of ₹10/- each fully paid-up of Nippon India Nifty Alpha Low Volatility 30 Index Fund - Direct Growth Plan (NNAGG)	0.60	-
70314.64 units ( March 31, 2024: NIL units) of ₹10/- each fully paid-up of Parag parikh Flexi Cap Fund -Direct Plan	0.60	-
456221.64 units (March 31, 2024: NIL units) of ₹10/- each fully paid-up of UTI Nifty 200 Momentum 30 Index Fund - Direct Plan -	0.89	-
<b>Total</b>	<b>1,138.01</b>	<b>1,253.45</b>
1. Aggregate book value of quoted investments	1,276.68	1,373.65
2. Aggregate Market Value of quoted investments	1,535.10	1,633.26
3. Aggregate carrying value of unquoted investments	104.37	99.30

\*Refer Note 37

\*\*Investment in preference shares of IL&FS group companies aggregating to ₹26.13 crores. In view of the uncertainty prevailing with respect to recovery of the investment value from the IL&FS group, the Management has measured such investments at ₹ NIL (March 31, 2024 ₹ NIL).

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 6A Loans (Non Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
Loan to employees	1.21	1.27
	<b>1.21</b>	<b>1.27</b>

### 6B Other Financial Assets (Non Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
Fixed Deposits with banks having more than twelve months maturity	3.15	2.60
Earmarked Deposits with banks**	18.06	12.65
Interest Receivable	1.99	0.93
Government Grant Receivable***	55.31	58.01
Less: allowance for expected credit loss	(15.79)	-
Other Recoverable	0.54	0.54
	<b>63.26</b>	<b>74.73</b>

\*Refer Note 37

\*\* Earmarked deposits of ₹18.06 crores pledged with government authorities, banks and others.

\*\*\*Refer Note 51

### 7 Other Non Current Assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non Financial Assets at amortized cost</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
Capital advances	118.28	39.88
Balance with government authorities	6.62	6.61
Prepaid (Deferred) Expense for employee benefit	0.07	0.07
Prepaid expenses-others	2.75	3.29
Security deposits	74.39	67.69
	<b>202.11</b>	<b>117.54</b>

### 8 Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(at cost or net realisable value, whichever is lower)</b>		
Raw materials*	2,646.38	3,061.78
Work-in-progress	236.99	238.49
Finished Goods	742.23	706.69
Stores and Spares*	137.03	174.96
Less: Unrealised profit on consolidation#	(1.15)	(2.03)
	<b>3,761.48</b>	<b>4,179.89</b>

#Unrealised profit on consolidation for Raw material is ₹(0.38) Crores, for Work-in-progress ₹(0.29) Crores and for Finished goods is ₹(0.48) Crores.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
*above items include goods in transit as per below		
Raw materials	356.08	105.51
Stores and Spares	9.72	9.52
	<b>365.80</b>	<b>115.03</b>

- (i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹5,425.64 Crores (March 31, 2024: ₹5,495.80 Crores)
- (ii) Refer to Note 18(a) and 23 for information on inventories pledged as security by the Group.
- (iii) The method of valuation of inventories has been stated in note 2.17.

### 9 Other Investments (Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets measured at fair value through Profit and loss</b>		
<b>Investment in Liquid Funds (Quoted)</b>		
4,99,97,500.125 (March 31, 2024: NIL) units of ₹10 each of SBI FMP Series 41 - 1,498 Days -Direct Plan Growth	62.88	-
54,118.33 (March 31, 2024 : NIL) units of ₹10 each of TATA Money Market Fund Plan Growth	25.52	-
1,27,167 (March 31, 2024 :NIL) units of ₹10 each of SBI Liquid Fund Direct Growth	51.58	-
1,00,18,972.192 (March 31, 2024 : NIL) units of ₹10 each of Bandhan Money Manager Fund	42.88	-
73,49,039.779 (March 31, 2024 : NIL) units of ₹10 each of HDFC Arbitrage Fund-Direct Growth	14.57	-
4,98,39,012.067 (March 31, 2024 : NIL) units of ₹10 each of Edelweiss CRISIL PSU Plus SDL OCT 2025 Index Fund	59.51	-
NIL (March 31, 2024 :1,56,875.919) units of ₹10 each of HDFC Overnight Fund - Direct Plan- Growth Option	-	55.74
4,77,412.00 (March 31, 2024 : NIL) units of ₹1,000 each of Bharat Bond ETF APRIL 2025	61.55	-
NIL (March 31, 2024:46,00,000) units of ₹100 each of Nippon India ETF Nifty CPSE Bond plus SDL Sep 2024 Maturity	-	55.30
246,634 (31 March 2024: Nil) Units of ₹1000/- each of Edelweiss Bharat Bond ETF 2025	31.80	-
63,661 (31 March 2024: 72,530) Units of ₹1000/- each of SBI Liquid Fund Direct Growth	25.82	27.41
7,528,554 (31 March 2024: 6,421,876) Units of ₹10/- each of Kotak Equity Arbitrage Fund- Direct Growth	29.63	23.37
9,609,558 (31 March 2024 8,759,991) Units of ₹10/- each of SBI Arbitrage Opportunity Fund- Direct Plan - Growth	33.93	28.67
NIL (31 March 2024 645.22) units of ₹10/- each fully paid-up SBI PLF-Dir Plan Growth	-	0.24
1413.62 Units (31 March 2024 Nil) Units ₹10/- each fully paid-up Kotak Equity Liquid Direct Growth	0.74	-
5,619,408.215 Units ( 31 March 2024 9725644.74) Units ₹10/- each fully paid-up Kotak Equity Arbitrage Fund- Growth - Direct	22.11	35.39
	<b>462.52</b>	<b>226.12</b>
1. Aggregate book value of quoted investments	462.52	226.12
2. Aggregate market value of quoted investments	462.52	226.12
3. Aggregate carrying value of unquoted investments	-	-

\* Refer note 37

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 10 Trade receivables\*

Particulars	As at March 31, 2025	As at March 31, 2024
Receivable from related parties (Refer Note 45)		
- Unsecured, considered good	0.01	0.14
Receivable from others		
- Secured, considered good	-	-
- Unsecured considered good	1,297.56	1,220.12
- Significant increase in Credit risk	3.43	18.70
- Credit impaired	-	-
Less:- Allowances for expected credit loss	(3.43)	(18.70)
	<b>1,297.57</b>	<b>1,220.26</b>

- (i) The credit period allowed on sales generally vary, on case to case basis, business to business, based on market conditions, maximum credit period allowed is 45 days (2023-24 - 45 days) in case of domestic yarn and 90 days (2023-24 - 90 days) in case of domestic fabric and garments. In case of exports, maximum credit period of 120 days (2023-24 - 120 days) against letter of credit is provided.

- (ii) There are no major customers that represent more than 10% of total balances of trade receivables.

#### (iii) Ageing of allowance of expected credit loss

Particulars	Expected Credit Loss	
	As at March 31, 2025	As at March 31, 2024
Less than 180 days	-	-
More than 180 days	3.43	18.70
	<b>3.43</b>	<b>18.70</b>

#### (iv) Age of Receivables:

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(a) Undisputed Trade receivables – considered good</b>		
Less than 6 months	1,293.19	1,214.71
6 months to 1 year	0.72	3.67
1 to 2 years	0.42	0.53
2 to 3 years	0.02	0.10
More than 3 years	0.01	0.14
	<b>1,294.36</b>	<b>1,219.15</b>
<b>(b) Undisputed Trade Receivables – which have significant increase in credit risk</b>		
Less than 6 months	-	-
6 months to 1 year	0.66	1.01
1 to 2 years	0.94	0.08
2 to 3 years	2.03	9.36
More than 3 years	0.49	6.86
	<b>4.12</b>	<b>17.31</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(c) Disputed Trade receivables – considered good</b>		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	1.11	1.11
	<b>1.11</b>	<b>1.11</b>
<b>(d) Disputed Trade Receivables – which have significant increase in credit risk</b>		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	0.02	-
More than 3 years	1.39	1.39
	<b>1.41</b>	<b>1.39</b>

### (v) Movement in expected credit loss allowance

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	18.70	18.58
Reversal of provision during year	(15.27)	(0.30)
Provision provided during the year	-	0.42
<b>Balance at the end of the year</b>	<b>3.43</b>	<b>18.70</b>

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

\* Refer note 37

## 11 Cash and cash equivalents\*

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
a) Balances with banks		
- In current accounts	52.89	33.52
- In deposit accounts with maturity upto three months	0.49	0.46
b) Cheques on hand	0.07	0.19
c) Cash on hand	0.11	0.13
	<b>53.56</b>	<b>34.30</b>

\*Refer note 37

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 11A Bank Balances other than Cash and cash equivalents\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>a) Other bank balances</b>		
- Earmarked balances with banks <sup>#</sup>	41.35	34.37
- Deposits with more than twelve months maturity	3.15	2.60
- Deposits with more than three months but less than twelve months maturity	12.17	31.77
	<b>56.67</b>	<b>68.74</b>
Less: Amounts disclosed as other financial non current assets (Refer note 6B)	21.21	15.25
	<b>35.46</b>	<b>53.49</b>

<sup>#</sup>Earmarked balances with banks includes ₹3.68 crores (March 31, 2024 : ₹2.72 crores) pertaining to dividend accounts with banks and ₹18.38 crores (March 31, 2024 : ₹20.56 crores) pledged with government authorities, banks and others. Also includes ₹19.28 crores (March 31, 2024: ₹10.17 crores) pertaining to balances in unspent CSR accounts..

\*Refer note 37

### 12 Loans (Current)<sup>#</sup>

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Loan to employees	2.14	2.24
	<b>2.14</b>	<b>2.24</b>

\* Refer note 37

### 13 Other financial assets (Current)\*\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets at amortized cost</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Recoverable from related parties (Refer Note 45)	0.02	0.02
Interest receivable	0.58	5.09
Claims receivable	0.06	0.06
Other Recoverable	86.14	116.62
Receivable from Asset Management Company	30.00	-
<b>Financial assets at Fair value through Profit and loss</b>		
Derivative Financial Instruments*	-	2.13
	<b>116.80</b>	<b>123.92</b>

\*The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk including foreign exchange forward contracts. For further details of derivative financial instruments. (Also refer note 29).

\*\*Refer note 37

### 14 Current tax

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Current tax assets (net)</b>		
Taxes paid (net)	77.51	52.91
<b>Current tax liabilities (net)</b>		
Income-tax payable (net)	42.88	39.81

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 15 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (Refer note 39)	4.66	4.65
Advances to suppliers	175.09	86.39
Balance with government authorities	349.55	436.13
Prepaid (Deferred) Expense for employee benefit	0.03	0.03
Gratuity Trust	-	1.01
Prepaid expenses others	4.18	6.75
Other recoverables	41.57	56.33
	<b>575.08</b>	<b>591.29</b>

### 15A Assets Held for sale

Particulars	As at March 31, 2025	As at March 31, 2024
Property Plant and Equipment held for Sale	-	0.08
	<b>-</b>	<b>0.08</b>

During the previous year the Company intended to dispose off a flat, it no longer utilised in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale as at March, 2024 as the Company expected that sale consideration less costs to sell was higher than the carrying amount. Also the Company had received advance of ₹3.92 Crore as on March 31, 2024 shown in other current liabilities against sale of these assets (Refer Note 27). The said sale has been completed during the current year.

### 16 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised share capital:</b>		
71,50,00,000 equity shares of ₹2 each (March 31, 2024: 71,50,00,000 equity shares of ₹2 each)	143.00	143.00
2,00,00,000 redeemable cumulative preference shares of ₹10 each (March 31, 2024: 2,00,00,000 redeemable cumulative preference shares of ₹10 each)	20.00	20.00
1,40,00,000 Non cumulative convertible preference shares of ₹10 each (March 31, 2024: 1,40,00,000)	14.00	14.00
	<b>177.00</b>	<b>177.00</b>
<b>Issued, subscribed and fully paid up share capital comprises:</b>		
28,45,13,055 equity shares of ₹2 each (March 31, 2024: 28,45,13,055 equity shares of ₹2 each)	56.90	56.90
	<b>56.90</b>	<b>56.90</b>

#### 16.1 Rights, preference and restriction attached to equity shares

The Parent Company has one class of equity shares having a par value of ₹2/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Parent Company the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 16.2 Rights, preference and restriction attached to preference shares

The rate of dividend on preference shares will be decided by the Board of Directors as and when issued. Preferential shares as and when issued shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment on amount of capital.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

**16.3** As per Employee Stock Options Scheme 2024, during the current year the Company has granted equity stock options of 31,75,000 out of which 2,70,000 options lapsed due to resignation and retirement of eligible members.

#### 16.4 Reconciliation of number of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	28,45,13,055	56.90	28,44,65,305	56.89
Add: Issue of equity shares under employee stock option plan (Refer note 44)	-	-	47,750	0.01
<b>Balance as at the end of the year</b>	<b>28,45,13,055</b>	<b>56.90</b>	<b>28,45,13,055</b>	<b>56.90</b>

#### 16.5 Details of shares held by the holding Company

There is no Holding / Ultimate Holding Company of the Company

#### 16.6 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% holding	Number of shares	% holding
Vardhman Holdings Limited	8,34,37,034	28.85%	8,31,70,317	29.23%
Adishwar Enterprises LLP	5,15,94,315	17.84%	5,15,94,315	18.13%
Devakar Investment and Trading Company Private Limited	3,16,87,790	10.96%	3,16,87,790	11.14%
HDFC Mutual Fund	2,16,11,672	7.47%	2,16,11,672	7.60%

#### 16.7 Details of Shares held by promoters at the end of the year

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Vardhman Holdings Limited	8,34,37,034	29.33%	0.10%	8,31,70,317	29.23%	0.29%
Adishwar Enterprises LLP	5,15,94,315	18.13%	0.00%	5,15,94,315	18.13%	0.00%
Devakar Investment & Trading Company Private Limited	3,16,87,790	11.14%	0.00%	3,16,87,790	11.14%	0.00%
Shri Paul Oswal	29,87,955	1.05%	0.00%	29,87,955	1.05%	0.00%
Flemingo Finance & Investment Company Limited	26,64,795	0.94%	0.00%	26,64,795	0.94%	0.00%
Santon Finance & Investment Company Limited	22,81,650	0.80%	0.00%	22,81,650	0.80%	0.00%
Ramaniya Finance & Investment Company Limited	21,21,170	0.75%	0.00%	21,21,170	0.75%	0.00%
Suchita Jain	12,22,120	0.43%	0.00%	12,22,120	0.43%	0.00%
Shakun Oswal	6,93,075	0.24%	0.00%	6,93,075	0.24%	0.00%
Shri Paul Oswal, Partner, Paras Syndicate	5,74,875	0.20%	0.00%	5,74,875	0.20%	0.00%
Shri Paul Oswal, Partner, Northern Trading Company	5,63,295	0.20%	0.00%	5,63,295	0.20%	0.00%
Mahavir Spinning Mills Private Limited	4,94,720	0.17%	0.00%	4,94,720	0.17%	0.00%
Shri Paul Oswal, Partner, Amber Syndicate	3,89,240	0.14%	0.00%	3,89,240	0.14%	0.00%
Shakun Oswal, Partner, Eastern Trading Company	2,66,430	0.09%	0.00%	2,66,430	0.09%	0.00%
Soumya Jain	41,015	0.01%	0.00%	41,015	0.01%	0.00%
Sagrika Jain	34,925	0.01%	0.00%	34,925	0.01%	0.00%

## Notes to Consolidated Financial Statement

for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 17 Other equity

Particulars	As at March 31, 2025		As at March 31, 2024	
Share application money pending allotment	-	-	-	-
Capital reserve	0.40	0.40	0.40	0.40
Statutory Reserve	15.38	15.38	14.27	14.27
Capital redemption reserve	40.43	40.43	40.43	40.43
Security premium	52.58	52.58	52.58	52.58
Debenture redemption reserve	-	-	-	-
Share options outstanding account	8.52	8.52	(0.00)	(0.00)
General reserve	1,517.06	1,517.06	1,517.06	1,517.06
Retained earnings	8,202.21	8,202.21	7,415.94	7,415.94
Equity instrument through other comprehensive income	2.54	2.54	2.55	2.55
	<b>9,839.12</b>	<b>9,839.12</b>	<b>9,043.23</b>	<b>9,043.23</b>

Particulars	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total	
		Capital reserve	Statutory Reserve U/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve			Retained earnings
<b>Balance at April 01, 2023</b>	<b>0.05</b>	<b>0.40</b>	<b>13.91</b>	<b>40.43</b>	<b>51.36</b>	<b>-</b>	<b>0.62</b>	<b>1,516.88</b>	<b>6,880.62</b>	<b>2.28</b>	<b>8,506.55</b>
Profit for the year	-	-	-	-	-	-	-	-	631.59	-	631.59
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	3.62	0.27	3.89
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>635.21</b>	<b>0.27</b>	<b>635.48</b>
Final Equity Dividend for the financial year 2022-23 (Amount ₹3.50 per share)	-	-	-	-	-	-	-	-	(99.53)	-	(99.53)
Share Application Money received under employee stock options.	0.73	-	-	-	-	-	-	-	-	-	0.73
Securities premium on shares under Employee stock options	-	-	-	-	1.22	-	-	-	-	-	1.22
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	-	(0.62)	0.18	-	-	(0.44)

## Notes to Consolidated Financial Statement

for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 17 Other equity (contd.)

Particulars	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total	
		Capital reserve	Statutory Reserve U/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve			Retained earnings
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(0.78)	-	-	-	-	-	-	-	-	-	(0.78)
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.36	-	-	-	-	-	(0.36)	-	-
<b>Balance at March 31, 2024</b>	<b>-</b>	<b>0.40</b>	<b>14.27</b>	<b>40.43</b>	<b>52.58</b>	<b>-</b>	<b>(0.00)</b>	<b>1,517.06</b>	<b>7,415.94</b>	<b>2.55</b>	<b>9,043.23</b>
Profit for the year	-	-	-	-	-	-	-	-	883.27	-	883.27
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	0.85	(0.01)	0.84
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>884.12</b>	<b>(0.01)</b>	<b>884.11</b>
Final Equity Dividend for the financial year 2023-24 (Amount ₹4 per share)	-	-	-	-	-	-	-	-	(113.80)	-	(113.80)
Adjustment on account of dividend paid to minority in earlier years	-	-	-	-	-	-	-	-	17.06	-	17.06
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	1.11	-	-	-	-	-	(1.11)	-	-
ESOP provision created	-	-	-	-	-	-	8.52	-	-	-	8.52
<b>Balance at Mar 31, 2025</b>	<b>-</b>	<b>0.40</b>	<b>15.38</b>	<b>40.43</b>	<b>52.58</b>	<b>-</b>	<b>8.52</b>	<b>1,517.06</b>	<b>8,202.21</b>	<b>2.54</b>	<b>9,839.12</b>



## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 17 Other equity (contd.)

#### a. Share application money pending allotment

It represents money received from senior employees under the Company's employee share option scheme.

#### b. Capital reserve

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Companies.

#### c. Statutory reserve

Statutory Reserve is mandatory reserve to be created by NBFC Companies u/s 45-IC of RBI Act, 1934 every year @ 20% of net profit after tax during the year of VTL Investments Limited.

#### d. Capital redemption reserve

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Group's own shares.

#### e. Securities premium

Securities premium represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

#### f. Debenture redemption reserve

The Company has issued non convertible debentures in Financial Year 2017-18 and as per the provisions of the Companies Act, 2013, it was required to create debenture redemption reserve out of the profits available for payment of dividend. The company has discontinued creation of DRR as per MCA notification no.464 dated August 16, 2019. During the previous year company has transferred the amount of debenture redemption reserve to general reserve pursuant to redemption of debentures.

#### g. Share options outstanding account

Company has approved employee share option scheme under which equity shares of Company are allotted to eligible employees as per the terms and conditions contained in the scheme. The amount is recognised based on the value of equity-settled share-based payments.

#### h. General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### i. Retained earnings

Retained earnings represents amount that can be distributed by the Group to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act 2013.

#### j. Equity instrument through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 18 Borrowings (Non Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Term loans (Secured - at amortised cost)</b>		
From banks*	834.51	952.19
Less: Current maturities (refer note-23)	85.52	539.06
<b>Total</b>	<b>748.99</b>	<b>413.13</b>

\*Net of unamortized processing charges: March 31, 2025: ₹0.18 crores (March 31, 2024 ₹0.42 crores)

Includes External Commercial borrowing from Citi bank amounting to ₹ NIL (March 31, 2024 ₹33.36 Crores)

#### (a) Term loans from banks are secured as follows:-

- 1<sup>st</sup> pari passu charge :-Hypothecation of entire fixed assets of the Company (both present and future) including equitable mortgage.
- 2<sup>nd</sup> pari passu charge:-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

Term Loans	Nature of Security
1) Term Loan from Bank amounting to ₹62.72 Cr. (March 31, 2024: ₹63.36 Cr.)	<b>Primary Security:-</b> (a) First Pari Passu hypothecation charge over Movable Fixed Assets (MFA) present as well as future of the company. (b) Pari Passu charge by the way of equitable mortgage of Immovable Fixed Assets present as well as future of the Company.
2) Term Loan from Bank amounting to ₹232.29 Cr. (March 31, 2024: ₹241.22 Cr.)	
3) Term Loan from Bank amounting to ₹7.31 Cr. (March 31, 2024: ₹36.57 Cr.)	
4) Term Loan from Bank amounting to ₹111.25 Cr. (March 31, 2024: ₹115.22 Cr.)	
1) Term Loan from Bank amounting to ₹28.28 Cr. (March 31, 2024: Nil)	<b>Primary Security:-</b> (a) First Pari Passu hypothecation charge over Movable Fixed Assets (MFA) present as well as future of the company except Punjab based movable fixed assets. (b) Pari Passu charge by the way of equitable mortgage of Immovable Fixed Assets present as well as future of the Company except Punjab based movable fixed assets.
2) Term Loan from Bank amounting to ₹392.86 Cr. (March 31, 2024: Nil)	

(b) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

#### (c) Terms of repayment of loan/debentures

Loan Category	Frequency of principal repayments	Interest rate	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Total
Term loans	Quarterly Payments	7.25% to 7.95%	22.80	174.70	167.96	68.08	150.78	180.19	7.47	771.98
Term loans	Bullet Payments	7.61% to 7.71%	62.72	-	-	-	-	-	-	62.72
			<b>85.52</b>	<b>174.70</b>	<b>167.96</b>	<b>68.08</b>	<b>150.78</b>	<b>180.19</b>	<b>7.53</b>	<b>834.70</b>

(d) Also refer note 37 for fair value disclosures.

(e) For specific purpose borrowings from banks, Company has utilized the funds for specific purpose for which it was taken.



## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 19 Other financial liabilities (Non Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial liabilities at amortized cost</b>		
Retention money	0.59	0.76
	<b>0.59</b>	<b>0.76</b>

\*Refer note 37

### 19A Lease liabilities (Non Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial liabilities at amortized cost</b>		
Lease Liability	0.19	0.18
	<b>0.19</b>	<b>0.18</b>

\*Refer note 43

### 20 Provisions (Non Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits :</b>		
- Leave (Refer note 46)	19.48	18.31
	<b>19.48</b>	<b>18.31</b>

The provision for employee benefit include annual leave and vested long service leave entitlement accrued of employees.

### 21 Deferred tax liabilities (net)\*

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (A)	340.14	298.15
	340.14	298.15
Deferred tax assets (B)	(16.66)	(13.14)
	(16.66)	(13.14)
<b>Deferred tax liabilities (net) (A-B)</b>	<b>323.48</b>	<b>285.01</b>

\* Refer note 36

### 22 Other non-current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Income for Capital subsidy	9.99	11.47
Due to employees	0.27	0.50
Other	1.42	1.31
<b>Total</b>	<b>11.68</b>	<b>13.28</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 23 Borrowings (Current)\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Loans repayment on demand</b>		
- From banks (secured at amortised cost)	378.92	817.40
- From banks (unsecured at amortised cost)	-	-
<b>Total</b>	<b>378.92</b>	<b>817.40</b>
<b>Current Maturities of Long term borrowings</b>		
- From banks (secured at amortised cost)	85.52	539.06
Short term borrowing (unsecured)	24.64	21.58
<b>Total Borrowings</b>	<b>489.08</b>	<b>1,378.04</b>

#### Details of security for working capital borrowings

Working capital borrowings from banks are secured as follows:-

- 1<sup>st</sup> pari passu charge :-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).
- 2<sup>nd</sup> pari passu charge:-Hypothecation of entire fixed assets of the company (both present and future) including equitable mortgage.

\*Refer Note 37

### 24 Trade payables\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Trade payables (refer note 42)</b>		
- Total outstanding dues of micro enterprises and small enterprises	51.05	24.04
- Total outstanding dues of other than micro enterprises and small enterprises	444.42	332.76
Due to related parties (Refer Note 45)	1.14	1.57
<b>Total</b>	<b>496.61</b>	<b>358.37</b>

#### Ageing of Trade payables:

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) MSME:</b>		
Less than 1 year	51.05	24.04
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>51.05</b>	<b>24.04</b>
<b>(ii) Others:</b>		
Less than 1 year	420.90	300.19
1-2 years	13.07	27.23
2-3 years	6.35	3.08
More than 3 years	5.24	3.83
	<b>445.56</b>	<b>334.33</b>

\*Refer Note 37

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 25 Other financial liabilities (Current)\*\*

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial liabilities at amortized cost</b>		
Interest accrued but not due on borrowings	4.04	6.73
Other payables		
- Retention money	9.09	8.22
- Security deposits	4.23	6.74
- Expense payable	38.06	42.48
Payables for purchase of fixed assets		
- Total outstanding dues of micro enterprises and small enterprises	2.76	0.70
- Total outstanding dues of other than micro enterprises and small enterprises	56.42	20.53
Due to employees	130.24	120.46
<b>Financial liabilities at Fair value through Profit and loss</b>		
Derivative Financial Instruments*	2.48	-
<b>Total</b>	<b>247.32</b>	<b>205.86</b>

\*Balance represents mark to market loss on currency derivative financial instruments to manage Company's exposure to foreign exchange rate risk. Also refer note 35 and 37.

### 26 Provisions (Current)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits : (Refer note 46)</b>		
- Compensated Absences	4.68	3.58
- Gratuity	-	0.18
	<b>4.68</b>	<b>3.76</b>

### 27 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory remittances*	28.02	25.29
Deferred Income for Capital subsidy	1.49	1.56
Unpaid dividends **	3.68	3.63
Gratuity Trust	3.56	-
Advances from customers (Contract Liability)#	32.23	38.51
Other Liabilities	12.50	3.33
Advance against Sale of Property, Plant and Equipment	-	3.92
<b>Total</b>	<b>81.48</b>	<b>76.24</b>

\*Statutory remittances includes contribution to provident fund and employee state insurance corporation, tax deducted/collected at source, goods and service tax etc.

\*\*Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund.

#Advance from customers is recognised when payment is received before the related performance is satisfied

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Movement of advance from customers

Particulars	As at March 31, 2025	As at March 31, 2024
As at beginning of the year	38.51	44.07
Less:-Recognised as revenue	(38.51)	(44.07)
Add:- Advances received during the year related to closing balance	32.23	38.51
<b>As at end of the year</b>	<b>32.23</b>	<b>38.51</b>

### 28 Revenue from operations#

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products (Net of Rebate & Discount)	9,590.21	9,312.41
Sale of services	8.73	7.79
Other operating revenues :		
- Export benefits*	159.25	160.14
- Others	26.69	24.34
	<b>9,784.88</b>	<b>9,504.68</b>

Ind AS 115 'Revenue from Contracts with customers' outlines a single comprehensive control based model for revenue recognition. The Group had not applied any significant judgements in applying the revenue recognition criteria. The disclosure requirements as per Ind As 115 given below:-

#The following is an analysis of the companies revenue from its products and services

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of Yarn	5,953.54	5,867.58
Sale of Fabric	3,318.59	3,122.65
Sale of Acrylic Fibre	197.75	205.94
Service income	8.73	7.79
Sale of Garments	126.01	112.09
Others (Sale of scrap and others)	21.06	28.49
	<b>9,625.63</b>	<b>9,344.54</b>

The following is analysis on the Company's revenue disaggregates on the basis of timing of revenue recognition.

- At point of time	9,625.63	9,344.54
- Over the period	-	-

\*Export benefits are in the nature of government grants covering following benefits

(a) RoDTEP	100.12	97.27
(b) Duty drawback benefits	59.13	62.87
	<b>159.25</b>	<b>160.14</b>



## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 29 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>(a) Interest income</b>		
Interest income on Financial assets measured at amortised cost		
- Interest on Bank deposits	3.26	18.77
- Interest from Others	2.31	3.83
Interest on refund of income tax	31.47	31.09
<b>(b) Dividend income</b>		
Dividend income from investments - carried at fair value through Profit or Loss	0.22	0.22
<b>(c) Other Non Operating Income (Net of Expenses directly attributable to such income)</b>		
Net gain on sale of investments-carried at fair value through Profit or Loss (net of reversal of fair valuation on disposal of investment)	49.77	58.31
Gain on fair valuation of Investments	98.48	94.65
<b>(d) Other gain</b>		
Claims received (net of expenses)	1.19	1.11
Provisions no longer required written back	4.53	17.02
Subsidy from Government	51.92	44.70
Net gain on disposal of property, plant and equipment	44.42	7.35
Foreign exchange fluctuation gain (net)	28.98	26.18
Others	19.41	22.71
	<b>335.96</b>	<b>325.94</b>

### 30 Cost of materials consumed\*

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cotton	4,197.74	4,338.54
Manmade fibre	951.91	903.76
Yarn	23.60	21.18
Fabric	57.34	29.50
Acrylonitrile	172.85	174.15
Others	22.20	28.67
	<b>5,425.64</b>	<b>5,495.80</b>

\*Consumption is derived figure, calculated by adding the opening stock and purchases, and then subtracting the closing stock.

### 31 Purchases of Stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Yarn	4.85	1.62
Others	5.54	-
	<b>10.39</b>	<b>1.62</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Inventories at the beginning of the year</b>		
Work-in-progress	237.96	241.84
Finished goods (Including stock in trade)	707.01	799.53
	<b>944.97</b>	<b>1,041.37</b>
<b>Inventories at the end of the year</b>		
Work-in-progress	237.61	237.96
Finished goods (Including Stock in trade)	742.00	707.01
	<b>979.61</b>	<b>944.97</b>
	<b>(34.64)</b>	<b>96.40</b>

### 33 Employee benefits expense\*

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	791.67	757.41
Contribution to provident and other funds	62.86	60.63
Staff welfare expenses	9.52	7.62
Employee share based expense	8.52	-
Gratuity Expense (Net)	14.92	14.32
	<b>887.49</b>	<b>839.98</b>

\*Also refer note 46

### 34 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on loan*	58.82	88.92
Other borrowing costs	18.46	13.36
	<b>77.28</b>	<b>102.28</b>

\*Interest expense is net of interest reimbursement of ₹28.48 crores (March 31, 2024 - ₹47.67 crores) under Madhya Pradesh state interest reimbursement on term loan.

### 35 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel*	911.50	908.03
Consumption of stores and spare parts	58.92	56.96
Packing materials and charges	124.14	108.59
Dyes and Chemical consumed	261.52	232.26
Rent	2.45	1.78

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Repairs and Maintenance		
- Buildings	65.19	37.74
- Plant and Machinery	276.25	300.40
- Others	17.58	17.40
Insurance	14.83	16.91
Rates and taxes	5.88	7.34
Legal and Professional Charges	16.43	15.08
Processing Charges	12.23	13.19
Travelling and Conveyance Expenses	8.64	10.51
Auditors remuneration:		
- Audit fee	0.96	0.88
- Tax audit fee	0.10	0.11
- Reimbursement of expenses	0.07	0.04
- In other capacity	0.15	0.02
Bad debts written off	9.95	0.94
Allowances for doubtful trade receivables and advances	0.51	0.13
Forwarding charges and octroi	236.85	174.76
Commission to selling agents	63.16	64.11
Assets written off	1.91	2.70
Charity, Donation and CSR activities (Refer note 48)#	33.34	29.08
Cotton Hedging Derivative Loss	0.57	4.89
Other miscellaneous expenses**	110.12	93.82
	<b>2,233.25</b>	<b>2,097.67</b>

\*Power & Fuel expense amount is net of Subsidy amounting ₹19.35 Crores (March 31, 2024 ₹28.57 Crores)

\*\*Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

#The Company has made a political contribution amounting to ₹7 Crores in FY 24-25 to Prudent Electoral Trust. (During the previous year the Company had purchased electoral bond amounting to ₹4 Crores which has been subsequently encashed by Bhartiya Janta Party and President, All India Congress Committee amounting to ₹3 Crores and ₹1 Crores respectively)

### 36 Tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

#### 36.1 Deferred tax liabilities (Net)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>2024-25</b>				
<b>Deferred tax assets</b>				
Expenses deductible in future years	8.15	1.64	-	9.79
Provision for doubtful debts / advances	4.82	1.73	-	6.55
Others	0.17	0.15	-	0.32
	<b>13.14</b>	<b>3.52</b>	<b>-</b>	<b>16.66</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets	(261.30)	(11.06)	-	(272.36)
Investment in bonds, mutual funds and equity instruments	(2.28)	(22.89)	(0.32)	(25.49)
Tax on undistributed Profits	(29.04)	(6.15)	-	(35.19)
Others	(5.53)	(1.57)	-	(7.10)
	<b>(298.15)</b>	<b>(41.67)</b>	<b>(0.32)</b>	<b>(340.14)</b>
<b>Net deferred tax liabilities</b>	<b>(285.01)</b>	<b>(38.15)</b>	<b>(0.32)</b>	<b>(323.48)</b>

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>2023-24</b>				
<b>Deferred tax assets</b>				
Expenses deductible in future years	10.35	(2.20)	-	8.15
Provision for doubtful debts / advances	4.82	-	-	4.82
Others	0.15	0.02	-	0.17
	<b>15.32</b>	<b>(2.18)</b>	<b>-</b>	<b>13.14</b>

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>Deferred tax liabilities</b>				
Property, plant and equipment and Intangible assets	(257.70)	(3.60)	-	(261.30)
Investment in bonds, mutual funds and equity instruments	(4.94)	2.69	(0.03)	(2.28)
Tax on undistributed Profits	(18.26)	(10.78)	-	(29.04)
Others	(2.71)	(2.82)	-	(5.53)
	<b>(283.61)</b>	<b>(14.51)</b>	<b>(0.03)</b>	<b>(298.15)</b>
<b>Net deferred tax liabilities</b>	<b>(268.29)</b>	<b>(16.69)</b>	<b>(0.03)</b>	<b>(285.01)</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

#### 36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
In respect of the current year	242.81	181.51
Deferred tax		
In respect of the current year	38.71	16.72
<b>Total income tax expense recognised</b>	<b>281.52</b>	<b>198.23</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	1,168.24	834.93
Tax at the Indian Tax Rate of 25.168% (2023-24 : 25.168 %)	294.03	210.14
Differential tax rate on capital gain on sale of investments/mark to market gain on investment	(10.85)	(15.87)
Effect of indexation benefit on value of investment	-	0.09
Deductions u/s 80IA/80JJA/80IC	-	(2.11)
Effect of expenses that are not deductible in determining taxable profit	9.29	7.08
Exemption u/s 54D	(6.91)	-
Others	(4.04)	(1.10)
	<b>281.52</b>	<b>198.23</b>

### 36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Arising on income and expenses recognised in other comprehensive income	0.61	1.30
<b>Total income tax recognised in other comprehensive income</b>	<b>0.61</b>	<b>1.30</b>

## 37 Financial Instruments and Risk Management

### 37.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in note no.18 and offset by cash and bank balances) and total equity of the Group. The Group is not subject to any externally exposed capital requirements.

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's gearing ratio was as follows:

The following table provides detail of the debt and equity at the end of the reporting year:

Particulars	As at March 31, 2025	As at March 31, 2024
Debt	1,238.07	1,791.17
Cash & cash equivalents	53.56	34.30
<b>Net Debt</b>	<b>1,184.51</b>	<b>1,756.87</b>
<b>Total Equity</b>	<b>9,896.02</b>	<b>9,100.13</b>
<b>Net debt to equity ratio</b>	<b>0.12</b>	<b>0.19</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 37.2 Financial instruments by category

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVTPL	Amortised Cost <sup>#</sup>	FVTOCI	FVTPL	Amortised Cost <sup>#</sup>	FVTOCI
<b>Financial Assets</b>						
Investments	1,594.35	-	6.20	1,473.76	-	5.81
Trade Receivables	-	1,297.57	-	-	1,220.26	-
Cash and cash equivalents	-	53.56	-	-	34.30	-
Bank balances other than above	-	35.46	-	-	53.49	-
Loans	-	3.35	-	-	3.51	-
Other financial assets	-	180.06	-	-	198.65	-
	<b>1,594.35</b>	<b>1,570.00</b>	<b>6.20</b>	<b>1,473.76</b>	<b>1,510.21</b>	<b>5.81</b>

Particulars	As at March 31, 2025		As at March 31, 2024	
	FVTPL	Amortised Cost <sup>#</sup>	FVTPL	Amortised Cost <sup>#</sup>
<b>Financial Liabilities</b>				
Borrowings (including current maturity of term loan)	-	1,238.07	-	1,791.17
Trade Payables	-	496.61	-	358.37
Other financial liabilities	2.48	245.43	-	206.62
Lease Liability	-	0.19	-	0.18
	<b>2.48</b>	<b>1,980.30</b>	<b>-</b>	<b>2,356.34</b>

<sup>#</sup>Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2025	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	182.16	1,412.20	-	1,594.35
Foreign currency / commodity forward contracts	-	-	-	-
Unquoted equity instruments	-	-	6.20	6.20
	<b>182.16</b>	<b>1,412.20</b>	<b>6.20</b>	<b>1,600.55</b>
<b>Financial Liabilities</b>				
Foreign currency / commodity future/option contracts	-	2.48	-	2.48
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	226.12	1,247.65	-	1,473.77
Foreign currency / commodity forward contracts		2.13		2.13
Unquoted equity instruments	-	-	5.81	5.81
	<b>226.12</b>	<b>1,249.78</b>	<b>5.81</b>	<b>1,481.71</b>
<b>Financial Liabilities</b>				
Foreign currency / commodity future/option contracts	-	-	-	-
	-	-	-	-

### Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of open ended mutual funds.

### Level 2:

Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts.

### Level 3:

Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

### Sensitivity of Level 3 financial instruments are insignificant

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

**Investments in mutual funds:** Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

**Derivative contracts:** The Group has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

**Quoted equity investments:** Fair value is derived from quoted market prices in active markets.

**Unquoted equity investments:** Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
<b>As at April 1, 2023</b>	<b>5.44</b>
Purchases	-
Gain / (loss) recognised in OCI	0.37
<b>As at March 31, 2024</b>	<b>5.81</b>
Purchases	-
Gain / (loss) recognised in OCI	0.39
<b>As at March 31, 2025</b>	<b>6.20</b>

### 37.3 Financial Risk Management

The Group's corporate treasury function provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Group through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk including currency risk, interest rate risk and other price risks, credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivate financial instruments to hedge risk exposure. The issue of financial derivatives is governed by the Group's policy approved by the board of directors.

The principal financial assets of the Group include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Group, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Group.

This note explains the risks which the Group is exposed to and policies and framework adopted by the Group to manage these risks.

#### 37.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

#### A. Foreign Currency Risk Management

The Group operates internationally and business is transacted in several currencies. The export sales of Group comprise around 49 % (FY 2023-24 : 47%) of the total sales of the Group, Further the Group also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the Group is exposed to foreign currency risk and the results of the Group may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Group's functional currency.

The Group measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Group uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

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(All amounts in ₹ crores, unless otherwise stated)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in Rs.crores, are as follows:

As at March 31, 2025	USD	EUR	CHF	JPY
<b>Financial assets</b>				
Trade receivables	786.03	58.90	-	-
Others	-	-	-	-
Foreign exchange derivative contracts*	(2,487.47)	(78.09)	-	-
<b>Net exposure to foreign currency risk (assets)</b>	-	-	-	-
<b>Financial liabilities</b>				
Trade payables	29.28	7.16	22.22	0.01
Borrowings	-	-	-	-
Foreign exchange derivative contracts*	(477.11)	(123.42)	(31.06)	-
<b>Net exposure to foreign currency risk (liabilities)</b>	-	-	-	<b>0.01</b>
<b>Net exposure to foreign currency risk (net)</b>	-	-	-	<b>(0.01)</b>
As at March 31, 2024	USD	EUR	CHF	JPY
<b>Financial assets</b>				
Trade receivables	707.15	43.25	-	-
Others	-	-	-	-
Foreign exchange derivative contracts*	(2,135.04)	(33.78)	-	-
<b>Net exposure to foreign currency risk (assets)</b>	-	<b>9.47</b>	-	-
<b>Financial liabilities</b>				
Trade payables and other financial liabilities	42.00	2.31	2.22	0.47
Borrowings	33.36	-	-	-
Foreign exchange derivative contracts*	(162.67)	(57.98)	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	-	-	<b>2.22</b>	<b>0.47</b>
<b>Net exposure to foreign currency risk (net)</b>	-	<b>9.47</b>	<b>(2.22)</b>	<b>(0.47)</b>

\*Excess derivative contracts are against pending purchase order/sales order shipment

### Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10 % increase and decrease in the Rs. against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
USD	-	-	-	-
EUR	-	-	0.89	(0.89)
CHF	-	-	(0.21)	0.21
JPY	0.00	(0.00)	(0.05)	0.05

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Foreign exchange derivative contracts

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Group's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Crores)		Nominal Amount (₹ Crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Import</b>						
USD / INR Buy forward	100	63	5.05	2.23	431.34	129.30
USD / INR Buy Option	3	2	0.54	0.40	45.77	33.36
EUR / USD /INR Buy forward	3	3	0.16	0.22	14.64	20.25
EUR / USD/ INR Buy Option	6	2	1.18	0.42	108.78	37.73
CHF/INR Buy Forward	1	-	0.32	-	31.06	-
<b>Export</b>						
USD / INR Sell forward	283	202	28.10	20.20	2,401.99	1,684.68
USD / INR Sell Option	5	27	1.00	5.40	85.48	450.36
EUR / INR Sell forward	17	12	0.85	0.38	78.09	33.78
Fair value assets	-	-	-	-	-	2.13
Fair value liabilities	-	-	-	-	2.48	-

\*Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

### B. Interest Rate Risk Management

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 rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

As the Group has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ loans interest rate decreases by 1%	₹ loans interest rate decreases by 1%
Increase in profit before tax by	12.38	17.91

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

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(All amounts in ₹ crores, unless otherwise stated)

### C. Security Price Risk Management

#### Exposure in equity

The Group is exposed to equity price risks arising from equity investments held by the Group and classified in the balance sheet as fair value through OCI.

#### Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended March 31, 2025 would increase / decrease by ₹0.31 crore (for the year ended March 31, 2024: increase / decrease by ₹0.29 crore) as a result of the change in fair value of equity investments measured at FVTOCI.

#### Exposure in mutual funds

The Group manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such Investments.

#### Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period. If NAV has been 1% higher / lower:

Profit for year ended March 31, 2025 would increase / decrease by ₹15.72 crores (for the year ended March 31, 2024 by ₹14.79 crores) as a result of the changes in fair value of mutual fund investments.

### D. Commodity Price Risk Management

The Group uses commodity derivative instruments to manage its price risk exposures on inventory of cotton. Commodity derivatives are used primarily as risk management tool to safeguard price risk exposure on inventory of cotton. Company employs specific financial instruments namely future and option contracts for hedging its price risk related to commodity.

#### 37.3.2 Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Group's credit risk in case of all other financial instruments is negligible.

The Group assesses the credit risk based on external credit ratings assigned by credit rating agencies. The Group also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Group has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

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(All amounts in ₹ crores, unless otherwise stated)

The following is the detail of revenues generated from top five customers of the Group:

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue from top five customers	1,101.83	894.75
% of total sales of products	11.26%	9.41%
<b>Financial assets for which loss allowance is measured:</b>		
Loans - Non-current	1.21	1.27
Loans - Current	2.14	2.24
Other financial assets - Non-current	63.26	74.73
Other financial assets - Current	116.80	123.92
Trade receivables	1,297.57	1,220.26
	<b>1,480.98</b>	<b>1,422.42</b>
<b>Loss allowance is as follows:-</b>		
<b>As at April 01, 2023</b>		<b>18.58</b>
Provided during the year		(0.30)
Reversed during the year		0.42
<b>As at March 31, 2024</b>		<b>18.70</b>
Provided during the year		15.79
Reversed during the year		(15.27)
<b>As at March 31, 2025</b>		<b>19.22</b>

Other than financial assets mentioned above, none of the Group's financial assets are either impaired, and there were no indications that defaults in payment obligations would occur.

#### 37.3.3 Liquidity Risk Management

The financial liabilities of the Group, other than derivatives, include loans and borrowings, trade and other payables. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Group plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due. The below is the detail of contractual maturities of the financial liabilities of the Group at the end of each reporting period:

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on their contractual maturities:

As at March 31, 2025	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>Financial Assets</b>					
Investments	462.52	1,017.31	-	120.72	1,600.55
Trade Receivables	1,297.57	-	-	-	1,297.57
Cash and cash equivalents	53.56	-	-	-	53.56
Bank balances other than above	35.46	-	-	-	35.46
Loans	2.14	0.94	0.08	0.19	3.35
Other financial assets	116.80	53.11	10.15	-	180.06
	<b>1,968.05</b>	<b>1,071.36</b>	<b>10.23</b>	<b>120.91</b>	<b>3,170.55</b>

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(All amounts in ₹ crores, unless otherwise stated)

As at March 31, 2025	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>Financial liabilities</b>					
Borrowings	489.08	342.47	218.86	187.66	1,238.07
Trade payables	496.61	-	-	-	496.61
Lease liability (undiscounted)	-	-	0.19	-	0.19
Other financial liabilities	247.32	0.59	-	-	247.91
	<b>1,233.01</b>	<b>343.06</b>	<b>219.05</b>	<b>187.66</b>	<b>1,982.78</b>

As at March 31, 2024	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>Financial Assets</b>					
Investments	190.49	1,224.77	-	115.77	1,531.03
Trade Receivables	1,221.62	-	-	-	1,221.62
Cash and cash equivalents	36.09	-	-	-	36.09
Bank balances other than above	50.71	0.36	-	-	51.07
Loans	2.37	0.88	0.40	-	3.65
Other financial assets	15.22	6.20	10.15	-	31.57
	<b>1,516.50</b>	<b>1,232.21</b>	<b>10.55</b>	<b>115.77</b>	<b>2,875.03</b>
<b>Financial liabilities</b>					
Borrowings	1,373.01	417.96	-	-	1,790.97
Trade payables	326.55	29.92	3.80	-	360.27
Lease liability (undiscounted)	-	-	0.18	-	0.18
Other financial liabilities	206.50	0.64	-	-	207.14
	<b>1,906.06</b>	<b>448.52</b>	<b>3.98</b>	<b>-</b>	<b>2,358.56</b>

### 38 Contingent Liabilities and Commitments

#### a. Claims against the Group not acknowledged as debts:

	As at March 31, 2025	As at March 31, 2024
Sales tax, excise duty, etc*	7.11	7.11
Income-tax**	250.76	255.85
Others***	4.40	4.40

\*Amount deposited ₹1.63 crore (March 31, 2024 : ₹1.63 crore)

\*\*Amount deposited ₹225.96 crore (March 31, 2024 : ₹236.84 crore)

\*\*\*Amount deposited ₹0.70 crore (March 31, 2024 : ₹0.70 crore)

#### b. Liability on account of bank guarantees and letter of credit of ₹805.79 crores (March 31, 2024: ₹202.85 crores)

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

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c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Group has been advised that it has strong legal positions against such disputes.

d. The Payment of Bonus (Amendment) Act 2015, notified on December 31, 2015, had revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus retrospectively from April 1, 2014. Based on legal opinion, the Company has filed a writ petition in Hon'ble High Court of Punjab & Haryana contesting its retrospective applicability and the said jurisdictional High Court has granted stay on its retrospective operation. In view thereof, the Parent Company has not provided differential bonus pertaining to the period from April 1, 2014 to March 31, 2015 amounting to ₹8.21 crores. However, the Company has provided/paid bonus w.e.f. April 1, 2015 according to the amended provisions of the Payment of Bonus (Amendment) Act 2015.

#### e. Capital and other commitments

	As at March 31, 2025	As at March 31, 2024
(i) Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advance)	1,249.74	239.05
(ii) Exports obligations under Export Promotion Capital Goods (EPCG) scheme*	3,020.98	-

\*Group is availing benefit under EPCG Scheme for import of capital goods and spare parts against obligation to export six times of the duty saved. Total Duty to be saved/saved against licences outstanding as at March 31, 2025 is ₹789.12 crores (March 31, 2024 ₹626.99 crores). Export obligation on such licences outstanding as at year end is disclosed above.

(iii) The Group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in normal course of business. The Group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

#### f. Contingent Liability and Commitments in respect of our share in associates is ₹52.27 Crores (March 31, 2024 ₹38.41 Crores)

**39(a)** Mahavir Share Trust ("Trust") is holding 10,65,822 equity shares (March 31, 2024:10,65,822 nos.) of ₹10 each of Vardhman Special Steels Limited which were allotted to it in the capacity of a shareholder of the Company by virtue of 'Scheme of Arrangement & Demerger' entered into by the Company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by Trust (Mahavir Share trust) on behalf of the Company and Company not being registered owner of shares, the cost of these shares is not reflected in investments but same has been valued at cost as reflected in other current asset.

**39(b)** The detail of the amount recoverable from Mahavir Share Trust as at the close of the year is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.02	0.01
	<b>4.66</b>	<b>4.65</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 40 Segment Information

The Group is primarily in the business of manufacturing, purchase and sale of textiles & fibre. The Managing Director of the Group, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the group as textiles and fibre. Therefore, there are two reportable segments viz textiles and fibre.

Particulars	Textiles		Fibre		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
<b>(i) Revenue</b>						
Total Sales	9,587.21	9,298.68	281.57	297.48	9,868.78	9,596.16
Inter Segment Sales		-	(83.90)	(91.48)	(83.90)	(91.48)
External Sales	9,587.21	9,298.68	197.67	206.00	9,784.88	9,504.68
Other Income	138.64	113.80	3.21	1.93	141.85	115.73
Unallocated Other Income					194.11	210.21
<b>Total Revenue</b>	<b>9,725.85</b>	<b>9,412.48</b>	<b>200.88</b>	<b>207.93</b>	<b>10,120.84</b>	<b>9,830.62</b>
<b>(ii) Result</b>						
Segment results	1,143.65	784.59	3.99	9.61	1,147.64	794.20
Unallocated Corporate expenses/(Income) (Net)					(50.15)	(100.36)
<b>Operating profit</b>					1,197.79	894.56
Finance cost					77.28	102.28
Income from Associates					47.73	42.65
Profit before tax					1,168.24	832.96
Provision for taxation						
Current tax and deferred tax					281.52	198.23
<b>Profit after tax</b>					<b>886.70</b>	<b>636.70</b>
<b>(iii) Segment Assets and Liabilities</b>						
Segment assets	10,096.64	9,953.90	162.43	155.09	10,259.07	10,108.99
Unallocated corporate assets					2,173.03	1,871.80
<b>Total assets</b>					<b>12,432.10</b>	<b>11,980.79</b>
<b>Total equity and liabilities</b>						
Equity (Share capital and other equity)					9,896.02	9,100.13
Non controlling interest					69.62	87.91
Segment Liabilities	651.76	521.94	99.61	75.13	751.37	597.07
Secured and unsecured loans					1,238.07	1,677.46
Unallocated Corporate Liabilities					153.54	119.50
Deferred Tax Liabilities					323.48	285.01
<b>Total equity and liabilities</b>					<b>12,432.10</b>	<b>11,867.08</b>
<b>(iv) Capital expenditure</b>					802.17	240.95
<b>(v) Depreciation and Amortisation</b>					397.21	401.42
Unallocated Corporate Depreciation and Amortisation					3.72	3.17
<b>Total Depreciation</b>					<b>400.93</b>	<b>404.59</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### Geographical Information:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Segment Revenue-External Turnover		
- Within India	5,647.87	5,562.09
- Outside India	4,137.01	3,942.59
<b>Total Revenue</b>	<b>9,784.88</b>	<b>9,504.68</b>
Non-Current Segment Assets		
- Within India	6,127.47	5,548.04
- Outside India	-	-
	<b>6,127.47</b>	<b>5,548.04</b>

### Segment Revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

### Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

### 41 Earnings Per Share

Particulars	For the year ended March, 31 2025	For the year ended March, 31 2024
Basic earnings per share (₹)	31.05	22.20
Diluted earnings per share (₹)	31.05	22.20
Profit attributable to the equity holders of the Company used in calculating basic earning per share	883.27	631.59
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	28,45,13,055	28,44,01,714
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	883.27	631.59
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	28,45,13,055	28,45,40,897

**42** Trade Payable and payable for purchase of fixed asset include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

Particulars	As at March 31, 2025	As at March 31, 2024
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year	53.81	24.74
- Principal amount	-	-
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED	-	-

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

\*It includes the amount payable for purchase of property, plant and equipments of ₹2.76 crores (FY 2023-24 ₹0.70 crores)

### 43 Leases

The Group has lease contracts for various Lands, Godowns, Guest Houses, Office premises. Leases of Office Premises, guest Houses, Godowns have lease term ranging from 11 months to 30 years and leases of land have lease terms of 99 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options.

The Group also has certain leases of office premises and guest houses with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Following are the changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2025:

Particulars	Land	Building	Total
<b>Balance as on April 01, 2023</b>	<b>19.39</b>	<b>0.01</b>	<b>19.40</b>
Addition	0.27	-	0.27
Deletion	-	-	-
Depreciation	(0.29)	(0.00)	(0.29)
<b>Balance as on March 31, 2024</b>	<b>19.37</b>	<b>0.01</b>	<b>19.38</b>
Addition	-	-	-
Deletion	-	-	-
Depreciation	(0.32)	-	(0.32)
<b>Balance as on March 31, 2025</b>	<b>19.05</b>	<b>0.01</b>	<b>19.06</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break up of current and non current lease liabilities as at March 31, 2025:

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	-	-
Non-Current lease liabilities	0.19	0.18
<b>Total</b>	<b>0.19</b>	<b>0.18</b>

Following is the movement in lease liabilities during year ended March 31, 2025

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	0.18	0.18
Finance cost accrued during the period	0.01	-
Payment of lease liabilities	-	-
<b>Balance at the end</b>	<b>0.19</b>	<b>0.18</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	-	-
One to five years	0.19	0.18
More than five years	-	-
<b>Total</b>	<b>0.19</b>	<b>0.18</b>

The following are the amounts recognised in statement of profit and loss:

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation Expenses on Right to use Assets	0.29	0.28
Interest expense on lease liabilities	0.00	-
Expense relating to short-term leases (included in other expenses)	1.20	1.27
<b>Total Amount Recognised in Profit and Loss</b>	<b>1.49</b>	<b>1.55</b>

### 44 i. Employee Share option plan 2024

(i) Detail of employee share option of the Company: The Company has a share option scheme for senior employees of the company. In accordance with the terms of the plan as approved by shareholders, eligible employees may be granted options to purchase equity shares. Each employee share option convert into one equity share of the company on exercise. Exercise price payable by the recipient is determined as per scheme. The options when allotted carry rights to dividend and voting power at par with other equity shares. Options may be exercised at the time of vesting to the date of their expiry.

(ii) The number of options granted is in accordance with employee stock option scheme approved by the shareholders and is subject to approval by the remuneration committee. The scheme rewards senior employees to the extent of Parent's and the individual's achievement judged against both qualitative and quantitative criteria.

(iii) The following share payments arrangement is in existence during the period.

Option Detail	Number*	Grant Date	Expiry Date	Exercise Price	Fair value of option at grant date
Vardhman Employee Stock Option 2024	31,75,000	3 April 2024	2 years from the date of respective vesting	425.00	69.93
	<b>31,75,000</b>				

\*Having face value of ₹2

#### Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

(iv) During the current year, the Company has granted equity options of 31,75,000 having face value of ₹2 per share. Out of which 2,70,000 options lapsed due to resignation and retirement of eligible members.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### (v) Fair value of options/shares granted in the year

Call option value per option unit using Black Scholes Method is ₹69.93. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	444.85
Exercise price (₹)	425.00
Expected volatility	9.67
Option life	2 years
Dividend yield	0.90%
Risk free Interest Rate	6.94%

### (vi) Movement of share options

Particulars	2024-25		2023-24	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	-	-	-	-
Granted during the year	31,75,000	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(2,70,000)	-	-	-
<b>Balance at end of year</b>	<b>29,05,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

(vii) Amount accounted for in profit and loss for Employee stock options is ₹8.52 Crores (FY 2023-24 ₹ NIL).

## 44 ii. Employee Stock Option Plan 2016

The following share Payments arrangement was in existence in the previous year:

### Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

Call option value per option unit using Black Scholes Method is ₹85.53. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	211.32
Exercise price (₹)	163.00
Expected volatility	33.78%
Option life	2 years
Dividend yield	1.92%
Risk free Interest Rate	6.31%

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	2024-25		2023-24	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	-	-	66,500	-
Exercised during the year	-	-	(47,750)	163
Lapsed during the year	-	-	(18,750)	-
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 45 Related Party Transactions

### 45.1 Description of related parties

#### Associates

Vardhman Yarns and Threads Limited  
Vardhman Spinning and General Mills Limited  
Vardhman Special Steels Limited

#### Relatives of KMP

Ms. Soumya Jain  
Mrs. Shakun Oswal

#### Post Employment Benefit Plans Trust

Mahavir Employees Gratuity Fund Trust  
Mahavir Superannuation Scheme  
VAL Gratuity Trust Fund

#### Key management personnel (KMP)

Mr. S.P. Oswal, Chairman and Managing Director\*  
Mr. Sachit Jain, Non Executive Director  
Mrs. Suchita Jain, Vice Chairperson & Joint Managing Director  
Mr. Neeraj Jain, Joint Managing Director  
Ms. Sagrika Jain (Executive Director)  
Mr. B.K Choudhary, (Managing Director) (upto March 31, 2024)  
Mr. B.K. Choudhary, Non-Executive Non-Independent Director (w.e.f. April 01, 2024)  
Mr. Rajeev Thapar, Chief Financial Officer\*  
Mr. Vivek Gupta, Whole Time Director (w.e.f 01.11.2023)  
Mr. Sanjay Gupta, Company Secretary\*  
Dr. Prem Kumar (Independent Director) (w.e.f. July 30, 2024)  
Mr. Satin Katyal, Company Secretary\*  
Mr. Prafull Anubhai (Independent Director)  
Mr. Ashok Kumar Kundra (Independent Director)  
Dr. Subash Khanchand Bijlani (Independent Director)  
Mr. Raish Shaikh, Chief Financial Officer\* (w.e.f 01.11.2023)  
Dr. Parampal Singh (Independent Director) (upto November 27, 2023)  
Mrs. Harpreet Kaur Kang (Independent Director)  
Ms. Apinder Sodhi (Independent Director) (upto 31.10.2023)  
Mr. Vikas Kumar, Non-Executive Director  
Mr. Udeypaul Singh Gill (Independent Director)  
Mr. Anil Kumar (Independent Director)  
Ms. Parakh Oswal (Independent Director)  
Mr. Bhooshan Lal Uppal (Independent Director)  
Mr. Suresh Kumar (Independent Director)  
Mr. Sandeep Kapur (Independent Director)  
Mr. Sanjeev Jain (Independent Director)  
Mr. Atul Khosla (Independent Director) (w.e.f. August 04, 2023)

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 45.1 Description of related parties (contd.)

#### Enterprises over which KMP have significant influence ('Others')

Vardhman Holdings Limited  
 Vardhman Apparels Limited  
 Smt. Banarso Devi Oswal Public Charitable Trust  
 Sri Aurobindo Socio Economic and Management Research Institute  
 Adhiswar Enterprises LLP  
 Devakar Investment and Trading Company Private Limited  
 Santon Finance and Investment Company Limited  
 Flamingo Finance and Investment Company Limited  
 Ramaniya Finance and Investment Company Limited  
 Mahavir Spinning Mills Private Limited  
 Northern Trading Company  
 Amber Syndicate  
 Paras Syndicate  
 Mahavir Traders  
 Eastern Trading Company  
 Lock And Decor Home LLP

\*Pursuant to section 2(51) of Companies Act, 2013

### 45.2 Transactions with related parties

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Sale /processing of goods to:#</b>			
Vardhman Special Steels Limited	Associate	-	0.79
Vardhman Yarns and Threads Limited	Associate	3.06	1.02
Mahavir Traders	Others	40.49	58.26
		<b>43.55</b>	<b>60.07</b>
<b>Purchase/processing of goods and utilities from:#</b>			
Vardhman Yarns and Threads Limited	Associate	22.04	18.48
		<b>22.04</b>	<b>18.48</b>
<b>Sale of RoDTeP License</b>			
Vardhman Special Steels Limited	Associate	-	0.96
Vardhman Yarns and Threads Limited	Associate	3.47	3.41
		<b>3.47</b>	<b>4.37</b>
<b>Sales of property, plant &amp; equipment to:#</b>			
Vardhman Yarns and Threads Limited	Associate	0.53	-
		<b>0.53</b>	<b>-</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Purchase of property, plant &amp; equipment from:#</b>			
Lock And Decor Home LLP	Others	0.01	0.70
Sri Aurobindo Socio Economic and Management Research Institute	Others	-	0.00
Vardhman Yarns and Threads Limited	Associate	0.07	-
		<b>0.08</b>	<b>0.70</b>
<b>Rent paid to**</b>			
Vardhman Holdings Limited	Others	0.02	0.02
Smt. Banarso Devi Oswal Public Charitable Trust	Others	0.12	0.12
		<b>0.14</b>	<b>0.14</b>
<b>Rent received from:**</b>			
Vardhman Yarns and Threads Limited	Associate	0.28	0.28
		<b>0.28</b>	<b>0.28</b>
<b>Dividend received from:</b>			
Vardhman Special Steels Limited	Associate	3.88	3.88
Vardhman Yarns and Threads Limited	Associate	20.07	6.90
		<b>23.95</b>	<b>10.78</b>
<b>Dividend Paid to:</b>			
Sagrika Jain	KMP	0.01	0.01
Shakun Oswal	Relatives of KMP	0.38	0.34
Shri Paul Oswal	KMP	1.81	1.58
Soumya Jain	Relatives of KMP	0.02	0.01
Suchita Jain	KMP	0.49	0.43
Sanjay Gupta	KMP	-	0.02
Adishwar Enterprises LLP	Others	20.64	18.06
Vardhman Holdings Limited	Others	33.34	-
VTL Investments Limited	Subsidiary	1.86	-
Devakar Investments and Trading Company Pvt Ltd.	Others	12.68	11.09
Flamingo Finance and Investment Company Ltd.	Others	1.07	0.93
Mahavir Spinning Mills Pvt Ltd.	Others	0.20	0.17
Ramaniya Finance and Investment Company Ltd.	Others	0.85	0.74
Santon Finance and Investment Company Ltd.	Others	0.91	0.80
		<b>74.26</b>	<b>34.18</b>
<b>Reimbursement of expenses paid to</b>			
Vardhman Yarns and Threads Limited	Associate	2.02	0.04
Vardhman Apparels Limited	Others	0.02	-
		<b>2.04</b>	<b>0.04</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Recovery of Common Expenses incurred**</b>			
Vardhman Special Steels Limited	Associate	1.00	1.00
Vardhman Yarns and Threads Limited	Associate	2.76	3.53
		<b>3.76</b>	<b>4.53</b>
<b>Payment against licence agreement**</b>			
Vardhman Holdings Limited	Others	1.44	1.39
		<b>1.44</b>	<b>1.39</b>
<b>Donations/ CSR to</b>			
Sri Aurobindo Socio Economic and Management Research Institute	Others	-	0.17
		<b>-</b>	<b>0.17</b>
<b>Withdrawal from post employment benefit plans:</b>			
Mahavir Employees Gratuity Fund Trust	Post Employment Benefit Plans Trust	1.01	(2.46)
VAL Gratuity Trust Fund	Post Employment Benefit Plans Trust	0.10	0.10
		<b>1.11</b>	<b>(2.36)</b>

### 45.3 Outstanding Balances:

Particulars	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Receivables</b>			
Vardhman Special Steels Limited	Associate	0.11	0.17
Vardhman Yarns and Threads Limited	Associate	-	0.12
Vardhman Spinning and General Mills Limited	Associate	0.00	0.00
Vardhman Apparels Limited	Others	0.02	0.01
Mahavir Traders	Others	0.02	-
Mahavir Employees Gratuity Fund Trust	Others	-	1.02
		<b>0.15</b>	<b>1.32</b>
<b>Payables</b>			
Vardhman Holdings Limited	Others	(1.43)	1.53
Mahavir Traders	Others	-	0.04
Vardhman Yarns and Threads Limited	Associate	(0.82)	-
		<b>(2.25)</b>	<b>1.57</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 45.4 Key management personnel compensation\*

Compensation*	Relation	For the year ended March 31, 2025	For the year ended March 31, 2024
Mr. S.P. Oswal	KMP	22.78	16.61
Mrs. Suchita Jain	KMP	3.28	3.36
Mr. Neeraj Jain	KMP	3.49	2.78
Ms. Sagrika Jain	KMP	1.12	1.08
Mr. Rajeev Thapar	KMP	1.11	0.94
Mr. Sanjay Gupta	KMP	0.27	0.25
Mr. Prafull Anubhai	KMP	0.05	0.06
Mr. Suresh Kumar	KMP	0.09	0.05
Dr. Parampal Singh	KMP	-	0.03
Mrs. Harpreet Kaur Kang	KMP	0.07	0.04
Mr. Udeypaul Singh Gill	KMP	0.08	0.03
Mr. Atul Khosla	KMP	0.04	0.01
Mr. B.K Choudhary	KMP	1.32	1.08
Mr. Vivek Gupta	KMP	0.40	0.54
Mr. Satin Katyal	KMP	0.06	0.08
Ms. Apinder Sodhi	KMP	0.03	0.03
Mr. Raise Shaikh	KMP	-	0.06
Ms. Parakh Oswal	KMP	0.02	0.05
Mr. Bhooshan Lal Uppal	KMP	0.01	0.03
Mr. Sandeep kapur	KMP	-	0.02
Mr. Sanjeev Jain	KMP	-	0.02
Mr. Anil Kumar	KMP	0.02	0.04
		<b>34.28</b>	<b>27.19</b>

\* excluding provision for employee benefits, employee stock options but includes sitting fees paid / payable to non executive directors. Perquisites values are considered as per the provisions of Income tax act, 1961.

\*\*Transaction are exclusive of Taxes

#Gross of Indirect Taxes

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 46 Employee Benefits

#### 46.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
National Pension Scheme	3.11	2.81
Provident fund administered through Regional Provident Fund Commissioner	46.70	44.36
Employees' State Insurance Corporation	11.28	11.52
Other Funds	1.77	1.94
	<b>62.86</b>	<b>60.63</b>

The expenses incurred on account of the above defined contribution plans have been included in Note 33 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

#### 46.2 Defined benefit plans

The Group sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Group has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Group's plan, whichever is more beneficial.

**(i) These plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

##### Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

##### Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

##### Interest Risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

##### Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

**(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:**

Particulars	As at March 31, 2025	As at March 31, 2024
Retirement Age (years)	58	58
Attrition rate:		
Up to 30 Years	5	5
From 31 to 44 Years	5	5
Above 44 Years	5	5
Discount Rate	6.99%	7.22%
Salary increase	6.00%	6.00%
Expected average remaining working life	26.32	26.95 Years
Mortality Rates	IALM (2012-14)	IALM (2012-14)
Method used	Project unit credit method	Project unit credit method

The cost of the defined benefit plans and other long term benefits is determined using actuarial valuation. 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 rate. Due to the complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

**(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Service cost	14.98	14.15
Net interest expenses	(0.06)	0.17
	<b>14.92</b>	<b>14.32</b>

The current service cost, past service cost and the net interest expenses for the year are included in Note 33 "Employee Benefits Expenses".

**(iv) Amounts recognised in Other Comprehensive Income:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial gain/(losses) arising for the year on asset	0.33	(0.28)
Actuarial gain/(losses) arising from changes in financial assumptions	(2.26)	1.28
Actuarial gain/(losses) arising from changes in experience adjustments	2.86	(1.18)
	<b>0.93</b>	<b>(0.18)</b>

**(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of funded defined benefit obligation	119.04	107.34
Fair Value of Plan Assets	115.52	108.17
<b>Net assets / (liability)</b>	<b>(3.52)</b>	<b>0.83</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### (vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening defined benefit obligation	107.34	95.97
Current Service Cost	14.98	14.15
Interest Cost	7.74	7.06
Actuarial (gain)/losses arising from changes in financial assumptions	2.21	1.28
Actuarial (gain)/losses arising from changes in experience adjustments	(2.98)	(1.18)
Benefits paid	(10.25)	(9.95)
<b>Closing defined benefit obligation</b>	<b>119.04</b>	<b>107.34</b>

### (vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening fair value of plan assets	108.17	93.91
Return on plan assets (excluding amounts included in net interest expenses)	8.18	11.90
Contributions from/(Withdrawal by) employer	0.18	2.36
Benefits paid	(1.01)	-
<b>Closing fair value of plan assets</b>	<b>115.52</b>	<b>108.17</b>

Plan assets comprise of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 12.30 years to 13.79 years (March 31, 2024: 12.41 years to 13.99 years). The Group expects to make a contribution of ₹17.79 crores (March 31, 2024: ₹16.66 crores) to the defined benefit plans during the next financial year.

### (viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Discount Rate</b>		
0.50% Increase	(5.04)	(4.54)
0.50% decrease	5.47	4.93
<b>Future Salary increase</b>		
0.50% Increase	5.32	4.80
0.50% decrease	(4.95)	(4.47)

### (ix) Maturity Profile of Defined Benefit Obligation

Year	Amount
a) 0 to 1 Year	12.28
b) 1 to 2 Year	9.40
c) 2 to 3 Year	8.10
d) 3 to 4 Year	7.65
e) 4 to 5 Year	7.23
f) 5 to 6 Year	6.81
g) 6 Year onwards	67.56

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### 46.3 Other long term employee benefit

(i) Amount recognised in profit and loss in note no.33 "Employee benefit expense" under the head "Salaries and Wages" towards leave encashment is ₹8.26 crore (March 31, 2024 ₹6.59 crore)

(ii) Amount taken to balance sheet

Particulars	As at March 31, 2025	As at March 31, 2024
Current	4.68	3.58
Non Current	19.48	18.31

### 47 Assets pledged as security

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Current assets</b>		
<b>Financial assets</b>		
Trade receivables	1,288.80	1,205.38
<b>Non-financial assets</b>		
Inventory	3,681.80	4,106.96
<b>Total current assets pledged as security</b>	<b>4,970.60</b>	<b>5,312.34</b>
<b>Non-current assets</b>		
Property, plant & equipment	4,074.92	3,693.35
<b>Total non-current assets pledged as security</b>	<b>4,074.92</b>	<b>3,693.35</b>
<b>Total assets pledged as security</b>	<b>9,045.52</b>	<b>9,005.69</b>

### 48 Corporate Social Responsibility

	As at March 31, 2025	As at March 31, 2024
a. Amount required to be spent by the group during the year	24.52	22.94
b. Amount of expenditure incurred**	5.57	6.63
c. Shortfall at the end of the year*** (a-b)	18.77	16.71
d. Total of previous years shortfall (2021-22)	4.77	0.51
e. Total of previous years shortfall (2022-23)	12.76	7.29
<b>Total shortfall at year end</b>	<b>36.30</b>	<b>24.51</b>
f. Related party transactions:		
(i) Banarso Devi Oswal Public Charitable trust	-	0.12
(ii) Sri Aurobindo Socio Economic and Management Research Institute	-	0.17
g. Movement of provision:		
Opening	24.51	18.61
Add: Provision created during the year:	24.07	22.24
Less: Spent during the year (2020-21)	(0.51)	(0.72)
Less: Spent during the year (2021-22)	(2.52)	(2.03)
Less: Spent during the year (2022-23)	(3.95)	(8.06)
Less: Spent during the year (2023-24)	(5.30)	(5.53)
<b>Closing</b>	<b>36.30</b>	<b>24.51</b>

#### \*Nature of CSR activities:

Promoting Education, Promoting Healthcare including Preventive Healthcare, Rural Development, Promotion of Art & Culture, Measures for the benefit of armed forces veterans, Promotion of Nationally Recognized Sports.



## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

### \*\*Reason for shortfall:

Amount remaining unspent pertains to "Ongoing /Multiyear Projects" approved by CSR committee which will be spent in coming years.

<sup>#</sup>During the current FY Vardhman Acrylics Limited (subsidiary company) has incurred excess CSR expenditure of ₹19.03 lakhs in previous years, out of which ₹17.00 lakhs has been adjusted in the current year and ₹2.03 lakhs will be adjusted against expenses in future years. The same has been disclosed under directors' report and CSR-2 form submitted with ROC.

Details of Deposit in Unspent CSR Account:	FY 2024-25	FY 2023-24	FY 2022-23
1. Unspent CSR amount deposited in special account (Unspent CSR Account)	18.77	16.71	15.35
2. Spent during the year for FY 2022-23	-	-	-
3. Spent during the year for FY 2023-24	-	-	(8.06)
4. Spent during the year for FY 2024-25	-	(3.95)	(2.52)
Balance lying in the bank account which will be spent in coming years as on March 31, 2025 {1-(2+3)}	<b>18.77</b>	<b>12.76</b>	<b>4.77</b>
Date of deposit	28-Apr-25	29-Apr-24	29-Apr-23

**49** There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund (IEPF) by the parent and its subsidiary companies and associate companies.

### 50 Other statutory information:

- No proceeding have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- The group has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the parent company or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of the company (Ultimate Beneficiaries).
- No funds have been received by the parent company or any such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- During the financial year, the group has not traded or invested in Crypto currency or Virtual Currency.
- The group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The group has availed facilities from banks on the basis of security of current assets. The group has filed statements of current assets with banks which are in agreement with the books of accounts and there are no material discrepancies.

**50(A)** The Parent Company has identified two accounting softwares that record financial transactions to which the guidance of audit trail applies. The Parent Company evaluated and noted that in respect of one accounting software the audit trail (edit log) feature was operating throughout the year. Further, in respect of other accounting software used for maintenance of purchase, production and sales records, no audit trail log was enabled to log any direct data changes made at the database level during the period April 1, 2024 to September 28, 2024 and audit trail enabled on the accounting software is not configured to track if it was disabled at any point in time during the year.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

The audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Company as per statutory requirements for record retention.

### 50(B)

- In respect of the Vardhman Acrylics limited ("VAL") subsidiary company, the VAL has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except below:
  - The audit trail facility has not been enabled at the database level to log any direct changes made in the software "NOW" which is used for maintaining quantitative record of inventories from April 01, 2024 to September 16, 2024.
  - The audit trail facility in the software "NOW" has been designed in such a way that it is not possible to verify whether this facility was disabled at any point in time during the year.

Further except as mentioned above, during the course of audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the VAL as per the statutory requirements for record retention."

- In respect of an associate namely Vardhman special steels limited ("VSSL"), VSSL has used the accounting softwares for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility. The feature of recording audit trail (edit log) facility for one of the accounting software has operated throughout the year except for certain tables/fields relating to financial reporting and payroll where the same were enabled from 1 May 2024. In addition, the feature of audit trail has been enabled at database layer for the said software with effect from 16 September 2024 except for one database user. For the period where audit trail (edit log) facility was enabled and operated we did not come across any instance of audit trail feature being tampered with. In respect of one other accounting software, used for maintenance of purchase, production & sales records, the said software did not have a feature to log the enabling/disabling of the audit trail (edit log) feature at the application level and database layer. Additionally, except for the instances where audit trail was not enabled in prior year for one of the software, the audit trail has been preserved by the Company as per statutory requirements for record retention.
- The Vardhman Yarns and Threads Limited ("VYTL") and its subsidiary company have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of :
  - VYTL has used accounting software for maintaining its books of account which has a feature of recording audit trail (editlog) facility which was not enabled throughout the year for all relevant transactions recorded in the software. Additionally, the Company did not record audit trail in respect of the year ended March 31, 2024.
  - In respect of the subsidiary of the VYTL:
    - Property, plant and equipment, customers, vendors, material and general ledger account masters, where audit trail feature was not enabled,
    - Direct changes to data when using certain access rights
    - Certain changes made using privileged/ administrative access rights.

Further, we are unable to assess whether there were any instances of the audit trail feature being tampered with in respect of the above.

- In respect of an associate namely Vardhman Spinning and General Mills Limited ("VSGM"), VSGM has not maintained its books of accounts in the electronic mode, hence, the provision of 11(g) is not applicable to VSGM.
- In respect of a subsidiary, VTL Investments Limited ("VTLI"), the Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software and there were no such instances of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the VTLI as per the statutory requirements for record retention.

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

**50(C)** The Code on Social Security 2020 has been notified in the Official Gazette on 29<sup>th</sup> September 2020. The effective date from which the changes are applicable is yet to be notified. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective.

**51** During the current year, the company has reclassified government grant receivable from "Other Non-Current Assets" to Other Financials Assets (Non-Current) amounting to ₹39.52 cr. (March 31, 2024 ₹58.01 cr.)

**51(b)** During the current year, the company has reclassified government grant receivable from "Other Current Assets" to Other Financials Assets (Current) amounting to ₹70.44 crores (March 31, 2024 ₹108.46 crores)

**52** The Board of Directors of Parent, Subsidiary and Associate Companies have proposed final dividend as given in below mentioned table. The proposed final dividend is subject to the approval of the members of such Associate at the ensuing Annual General Meeting. The amount of such dividend proposed is in accordance with section 123 of the Act.

Company Name	Relation	No. of Shares as at March, 2025	Dividend per Share (in ₹)
Vardhman Textiles Limited	Parent	28,91,27,050	5.00
Vardhman Special Steels Limited	Associate	4,06,27,414	3.00
Vardhman Acrylics Limited	Subsidiary	8,03,63,746	1.50

### 53 Interest in Other Entities

(a) The Consolidated Financial Statements present the Consolidated Accounts of Vardhman Textiles Limited with its following Subsidiaries & Associates.

Name of Company	Country of Incorporation	Proportion of Ownership of Interest		
		Activities	As at March 31, 2025	As at March 31, 2024
<b>A. Subsidiaries</b>				
(i) Vardhman Acrylics Limited	India	Manufacturing and sales of Fibre	70.83%	70.83%
(ii) VTL Investments Limited	India	Lending & Investing	100.00%	100.00%
<b>B. Associates</b>				
(i) Vardhman Yarns & Threads Limited	India	Manufacturing & Sales of Threads	11.00%	11.00%
(ii) Vardhman Spinning & General Mills Limited	India	Trading of Cotton & Manmade Fibre	50.00%	50.00%
(iii) Vardhman Special Steels Limited	India	Manufacturing and sales of Steels	24.69%	24.83%

(b) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	FTY 24-25	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	FTY 23-24
<b>I. Assets</b>						
<b>(A) Non Current Assets</b>	302.65	284.50	-	-	474.76	365.39
<b>(B) Current Assets</b>						
i) Cash & Cash Equivalent	38.74	28.21	0.17	0.17	10.76	7.64
ii) Others	654.36	622.21	-	-	650.40	666.64
<b>Total Current Assets</b>	<b>693.10</b>	<b>650.42</b>	<b>0.17</b>	<b>0.17</b>	<b>661.15</b>	<b>674.28</b>
<b>Total Assets (A+B)</b>	<b>995.75</b>	<b>934.92</b>	<b>0.17</b>	<b>0.17</b>	<b>1,135.92</b>	<b>1,039.67</b>

## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	FTY 24-25	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	FTY 23-24
<b>II. Liabilities</b>						
<b>(A) Non Current Liabilities</b>						
i) Financial Liabilities	11.24	7.19	-	-	3.80	14.92
ii) Non Financial Liabilities	7.80	4.06	-	-	20.98	22.17
<b>Total Non Current Liabilities</b>	<b>19.04</b>	<b>11.25</b>	<b>-</b>	<b>-</b>	<b>24.78</b>	<b>37.09</b>
<b>(B) Current Liabilities</b>						
i) Financial Liabilities	116.21	110.75	0.03	0.03	294.49	268.09
ii) Non Financial Liabilities	31.05	25.96	-	-	18.73	15.13
<b>Total Current Liabilities</b>	<b>147.26</b>	<b>136.71</b>	<b>0.03</b>	<b>0.03</b>	<b>313.22</b>	<b>283.22</b>
<b>Total Liabilities (A+B)</b>	<b>166.30</b>	<b>147.96</b>	<b>0.03</b>	<b>0.03</b>	<b>338.00</b>	<b>320.31</b>
<b>Net Assets (I-II)</b>	<b>829.45</b>	<b>786.96</b>	<b>0.14</b>	<b>0.14</b>	<b>797.92</b>	<b>719.36</b>

(c) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	FTY 24-25	FTY 23-24	FTY 24-25	FTY 23-24	FTY 24-25	FTY 23-24
Revenue from Operations	1,286.71	1,163.60	0.00	0.00	1764.41	1661.36
Profit Before Tax	302.88	242.43	(0.00)	(0.00)	125.06	122.86
Tax Expense	77.89	61.51	-	-	31.97	31.23
Profit after Tax	225.00	180.92	(0.00)	(0.00)	93.09	91.63
Other Comprehensive Income	(0.06)	1.34	-	-	(0.28)	0.18
Total Comprehensive Income	224.93	182.26	(0.00)	(0.00)	92.81	100.17
Depreciation & Amortisation	28.41	27.66	-	-	33.47	30.98
Interest Expense (Net of Interest Income)	1.61	1.34	0.00	0.00	18.63	18.42

(d) Movement of Investment in Associates using equity method

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Investment as at the beginning of the Period	93.42	81.13	0.07	0.07	126.00	107.20
Add: Share of profit for the period	24.75	19.90	(0.00)	-	22.98	22.75
Add: Share of OCI for the period	(0.01)	0.04	(0.00)	-	(0.07)	0.02
Less: Dividend distributed during the period	(20.07)	(7.65)	-	-	(4.03)	(3.97)
Investment as at the end of the Period	98.09	93.42	0.07	0.07	144.88	126.00



## Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in ₹ crores, unless otherwise stated)

54 For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of Enterprise	For the year ended March 31, 2025							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
Vardhman Textiles Limited	88.35%	8,804.95	99.52%	879.07	113%	0.98	99.54%	880.05
<b>Subsidiaries</b>								
<b>Indian</b>								
Vardhman Acrylics Limited	2.39%	238.65	1.34%	11.82	(8%)	(0.07)	1.33%	11.75
VTL Investments Limited	0.54%	53.91	0.63%	5.54	0%	-	0.63%	5.54
Adjustment due to consolidation	(1.75%)	643.44	(6.59%)	(58.18)	6%	0.05	(6.58%)	(58.14)
Non Controlling Interest in subsidiaries	0.70%	69.62	0.39%	3.45	(2%)	(0.02)	0.39%	3.43
<b>Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
Vardhman Special Steels Limited	1.45%	144.88	2.60%	22.98	(8%)	(0.07)	2.59%	22.91
Vardhman Spinning & General Mills Limited	0.00%	0.06	0.00%	0.00	0%	(0.00)	0.00%	(0.00)
Vardhman Yarns & Threads Limited	0.98%	98.10	2.80%	24.75	(1%)	(0.01)	2.80%	24.74
Less:- Investments in Associates	(0.53%)	(52.77)	0.00%	-			-	-
Add/Less:- Deferred Tax Liabilities on undistributed profits on associates	(0.35%)	(35.19)	(0.70%)	(6.15)			(0.70%)	(6.15)
<b>Total</b>	<b>100%</b>	<b>9,965.64</b>	<b>100%</b>	<b>883.27</b>	<b>100%</b>	<b>0.86</b>	<b>100%</b>	<b>884.13</b>

For and on behalf of the Board of Directors

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

**Rajeev Thapar**  
Chief Financial Officer

**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

Place : Ludhiana  
Date: May 03, 2025

## FORM AOC-1, PURSUANT TO SECTION 129(3) OF COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

### Part A

Particular	VTL Investments Limited		Vardhman Acrylics Limited	
	Current Year		Current Year	
a) The date since when subsidiary was acquired	12.04.2008		20.02.2008	
b) Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.		N.A.	
c) Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.		N.A.	
d) Capital	4.00		80.36	
e) Reserves	42.72		158.29	
f) Total Assets	46.72		348.63	
g) Total Liabilities	46.72		348.63	
h) Details of investment (Except in case of investment in the subsidiaries)	45.65		185.56	
i) Turnover (net)	5.51		281.57	
j) Profit before taxation	5.47		16.05	
k) Provision for taxation	0.52		4.23	
l) Profit after Taxation	4.95		11.82	
m) Proposed dividend(including tax thereon)	-		-	
n) Total Comprehensive Income for the period	4.95		11.75	
o) % of shareholding	100%		70.74%	



## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

### Part B

Name of Associates	Vardhman Special Steels Limited
1. Latest audited Balance Sheet Date	31.03.2025
2. Date on which the Associate was associated or acquired	14.05.2010
3. Shares of Associate held by the company on the year end	
No.	1,94,16,666
Amount of Investment in Associate	₹ 25.24 crore
Extend of Holding %	23.76%
4. Description of how there is significant influence	More than 20% shares of Vardhman Special Steels Limited are held by the Company.
5. Reason why the associate is not consolidated	-
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 189.59 crore
7. Profit / (Loss) for the year	₹ 93.09 crore
i. Considered in Consolidation	₹ 22.12 crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Spinning & General Mills Limited
1. Latest audited Balance Sheet Date	31.03.2025
2. Date on which the Associate was associated or acquired	24.09.2008
3. Shares of Associate/Joint Ventures held by the company on the year end	
No.	25,000
Amount of Investment in Associates/Joint Venture	₹ 0.03 crore
Extend of Holding %	50%
4. Description of how there is significant influence	More than 20% shares of Vardhman Spinning & General Mills Limited are held by the Company.
5. Reason why the associate/joint venture is not consolidated	-
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 0.07 crore
7. Profit / (Loss) for the year	₹ (0.004) crore
i. Considered in Consolidation	₹ (0.0022) crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Yarns and Threads Limited
1. Latest audited Balance Sheet Date	31.03.2025
2. Date on which the Associate was associated or acquired	01.09.2016
3. Shares of Associate/Joint Ventures held by the company on the year end	
No.	62,69,699
Amount of Investment in Associates/Joint Venture	₹ 27.50 crore
Extend of Holding %	11.00%
4. Description of how there is significant influence	Joint Venture with American & Efird, Global LLC
5. Reason why the associate/joint venture is not consolidated	-
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 91.24 crore
7. Profit / (Loss) for the year	₹ 225.00 crore
i. Considered in Consolidation	₹ 24.75 crore
ii. Not Considered in Consolidation	N.A.

For and on behalf of the Board of Directors

**Sanjay Gupta**  
Company Secretary  
Membership No:-4935

**Rajeev Thapar**  
Chief Financial Officer

**Suchita Jain**  
Vice Chairperson and  
Joint Managing Director  
DIN:00746471

**S.P. Oswal**  
Chairman and  
Managing Director  
DIN: 00121737

Place : Ludhiana  
Date: May 03, 2025

## Notice

Notice is hereby given that the **52<sup>ND</sup> ANNUAL GENERAL MEETING** of Vardhman Textiles Limited will be held on Wednesday, the 24<sup>th</sup> day of September, 2025 at 11:15 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:-

### ORDINARY BUSINESS:

#### Item No. 1 – To adopt financial statements:

To receive, consider and adopt the:

- Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2025, together with reports of Board of Directors and Auditors thereon; and
- Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2025, together with report of Auditors thereon.

#### Item No. 2 – To declare Dividend:

To declare a dividend of ₹ 5/- per equity share for the year ended 31<sup>st</sup> March, 2025.

#### Item No. 3 – To re-appoint Mrs. Suchita Jain as a director liable to retire by rotation:

To appoint a Director in place of Mrs. Suchita Jain, (holding DIN No. 00746471), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

#### Item No. 4 – To re-appoint Mr. Neeraj Jain as a director liable to retire by rotation:

To appoint a Director in place of Mr. Neeraj Jain, (holding DIN No. 00340459), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### Item No. 5 – To re-appoint Ms. Sagrika Jain as an Executive Director of the Company:

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 196, 197 & Schedule V of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014, Ms. Sagrika Jain (DIN: 09694869) be and is hereby re-appointed as an Executive Director of the Company for a term of 3 (Three) consecutive years starting from 6<sup>th</sup> August, 2025 to 5<sup>th</sup> August, 2028.

**RESOLVED FURTHER THAT** Ms. Sagrika Jain shall be paid remuneration and other perquisites as per terms and conditions as detailed below:-

Sr. No.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹ 6,50,000/- to ₹ 8,00,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and Remuneration Committee subject to a ceiling of annual basic salary. The perquisites may include, but are not limited to, house rent allowance, use of Company's car with driver (for official and personal use), telephone expenses (for official and personal use), medical reimbursement, club fees, personal accident insurance, leave travel concession, gratuity, contribution to Provident Fund and Superannuation Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
III.	Profit Linked Incentives	As may be decided by the Nomination and Remuneration Committee subject to the ceiling of 100% of the annual basic salary. The performance linked incentives to be calculated based on profits calculated at the end of financial year.

\*The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

\*In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of six months basic salary.



**RESOLVED FURTHER THAT** Mr. Shri Paul Oswal, Chairman & Managing Director and Mr. Sanjay Gupta, Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to this resolution.”

**Item No. 6 – To ratify the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2026:**

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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Company, Cost Auditors, New Delhi appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2026, be paid the remuneration of ₹ 7,68,000/- plus out of pocket expenses and applicable taxes.

**RESOLVED FURTHER THAT** Mr. Shri Paul Oswal, Chairman & Managing Director and Mr. Sanjay Gupta, Company Secretary, be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

**Item No. 7 – To appoint M/s. Ashok K Singla & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for a term of five (5) consecutive years:**

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 Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relevant circulars issued by SEBI (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, including Companies Act, 2013 and rules framed thereunder, approval of the Members of the Company be and is hereby accorded for the appointment of M/s. Ashok K Singla & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company, for a term of five consecutive years i.e. from financial year 2025-26 to 2029-30 at a fees of ₹ 50,000/- per annum, plus out-of-pocket expenses and applicable taxes.

**RESOLVED FURTHER THAT** Mr. Shri Paul Oswal, Chairman & Managing Director and Mr. Sanjay Gupta, Company Secretary, be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

By Order of the Board

Place: Ludhiana  
Dated: 22<sup>nd</sup> July, 2025

(Sanjay Gupta)  
Company Secretary

**NOTES:**

1. As per the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 21, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, General Circular No. 11/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and General Circular No. 09/2024 dated September 19, 2024 (“the MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD- 2/P/

CIR/2023/4 dated January 05, 2023, Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and Circular No. SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI Circulars”) and pursuant to Section 101 of the Act read with relevant rules made thereunder, this AGM is being convened to be held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM. Notice of AGM is being sent only through electronic mode to those Members who have registered their email address either with the Company or with the Depository.

- 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) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and MCA Circulars, 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 engaged the services of Central Depository Services (India) Limited (CDSL) as the agency to provide e- Voting facility.
- 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 (Refer Point 12). The facility of participation at the AGM through VC/OAVM will be made available to atleast 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 Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders’ Relationship Committee, Auditors, etc.
- Generally, a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed hereto.
- The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Director retiring by rotation/ seeking appointment or re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
- The Company has fixed 12<sup>th</sup> day of September, 2025, as the “Record Date” to determine the names of the Members entitled to receive payment of dividend for the financial year ended March 31, 2025, if approved at the AGM. Further, the Register of Members and the Share Transfer Books of the

Company shall remain closed from 13<sup>th</sup> September, 2025 to 20<sup>th</sup> September, 2025 (both days inclusive).

The Dividend, if approved, will be paid to those shareholders whose names appear: (a) as Beneficial Owners as at the end of the business hours on 12<sup>th</sup> September, 2025 as per the list to be furnished by NSDL and CDSL in respect of shares held in the Electronic Form; and (b) as Members in the Register of Members of the Company after giving effect to all valid share transmission or transposition request lodged with the Company on or before 12<sup>th</sup> September, 2025.

- The relevant statutory registers/documents will be available electronically for inspection by the Members during the AGM. Further, the documents referred to in the Notice, if any, will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com).

**DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

- In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2024-25 is available, is being sent to those members whose e-mail address is not registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories.

Members may note that the Notice and Annual Report 2024-25 will also be available on the Company’s website i.e. [www.vardhman.com](http://www.vardhman.com), website of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively and on website of Central Depository Services (India) Limited (e-Voting agency) at [www.evotingindia.com](http://www.evotingindia.com).

- For receiving all communications (including Annual Report) from the Company electronically:
  - Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and submitting duly filled relevant KYC forms as available on the website of the Company i.e. [www.vardhman.com](http://www.vardhman.com), at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com) or to RTA at [rta@alankit.com](mailto:rta@alankit.com).



- b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

### 11. INTRUCTIONS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:

- (i) The Remote e-Voting period commences on 21<sup>st</sup> September, 2025 (9:00 a.m.) and ends on 23<sup>rd</sup> September, 2025 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> September, 2025, may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting after end of voting period on 23<sup>rd</sup> September, 2025.

Further, the facility for voting through electronic voting system will also be made available at the Meeting and

Members attending the Meeting will be able to vote at the Meeting.

- (ii) Members who have already voted through Remote e-Voting would not be entitled to vote during the AGM.
- (iii) As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-Voting Facility provided by Listed Entities, “individual shareholders holding shares of the Company in demat mode” can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The procedure to login and access remote e-Voting and join virtual meeting, as devised by the Depositories / Depository Participant(s), is given below:

#### Option 1 – Login through Depositories

NSDL	CDSL
<p><b>1. Members who have already registered for IDeAS facility to follow below steps:</b></p> <p>(i) Go to URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></p> <p>(ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</p> <p>(iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on “Access to e-Voting”.</p> <p>(iv) Click on the Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>	<p><b>1. Members who have already registered for Easi / Easiest to follow below steps:</b></p> <p>(i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and then go to Login and select New System Myeasi.</p> <p>(ii) Login with user id and password.</p> <p>(iii) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication.</p> <p>(iv) Click on the Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</p>
<p><b>2. User not registered for IDeAS e-Services:</b></p> <p>(i) To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select option “Register Online for IDeAS” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>(ii) Proceed with completing the required fields.</p>	<p><b>2. User not registered for Easi/ Easiest:</b></p> <p>(i) Option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a>.</p> <p>(ii) Click on login &amp; New System Myeasi Tab and then click on registration option.</p>
<p><b>3. Users can directly access e-Voting module of NSDL and follow the below process:</b></p> <p>(i) Go to URL: <a href="https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp</a></p> <p>(ii) Enter 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP.</p> <p>(iii) Enter the OTP received on registered email id/mobile number and click on login.</p> <p>(iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>(v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p><b>3. Users can directly access e-Voting module of CDSL and follow the below process:</b></p> <p>(i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>(ii) Click on the icon “E-Voting”</p> <p>(iii) Provide Demat Account Number and PAN No.</p> <p>(iv) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat account.</p> <p>(v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</p> <p>(vi) Click on the Company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

#### Option 2 - Login through Depository Participants.

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. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 21 09911.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (iv) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders:**

- (i) The Members should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on “Shareholders” module.
- (iii) Now enter your User ID
- (a) For CDSL: 16 digits beneficiary ID,
- (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

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

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be
- also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.



- (x) Click on the EVSN: 250827026 for **<Vardhman Textiles Limited>** on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Additional facility for Non-Individual Shareholders and Custodians – for Remote e-Voting only**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any,

should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

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

- a. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-Voting at point no. 11.
- b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- c. Members are encouraged to join the Meeting through Laptops / iPads for better experience.
- d. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- e. 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.
- f. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com). The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of AGM.
- g. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

- h. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

## 13. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

- a. For Physical shareholders- Please provide necessary details like 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) and duly filled relevant KYC forms by email to [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)/ [rta@alankit.com](mailto:rta@alankit.com).
- b. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP).
- c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 21 09911.

14. M/s. Ashok K. Singla & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer shall upon the conclusion of e-Voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a

report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

15. The Results of the resolutions passed at the AGM of the Company will be declared within 2 working days of the conclusion of AGM. The results declared along with the Scrutinizer’s report shall be simultaneously placed on the Company’s website [www.vardhman.com](http://www.vardhman.com) and on the website of CDSL and will be communicated to the Stock Exchanges.

16. The Securities and Exchange Board of India has mandated that with effect from April 1, 2024, dividend to shareholders holding shares in physical form shall be paid only through electronic mode. Such payment shall be made only if the folio is KYC compliant i.e. the details of PAN, choice of nomination, contact details, mobile number, complete bank details and specimen signatures are registered.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend / interest etc. shall be paid only upon furnishing all the aforesaid details in entirety.

Hence, the Members are requested to update their details with Company/ Alankit Assignments Limited, immediately, to avoid any delay in receipt of dividend.

17. Dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source (“TDS”) from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961. In general, no tax will be deducted on payment of dividend to category of Members who are resident individuals (with valid PAN details updated in their folio/client ID records) and the total dividend amount payable to them does not exceed ₹ 5,000/-. Members not falling in the said category, can go through the detailed note with regard to applicability of tax rates for various other categories of Members and the documents that need to be submitted for nil or lower tax rate, which has been provided on the Company’s website at <https://www.vardhman.com/Investors/InvestorHelp> .

By Order of the Board

Place: Ludhiana  
Dated: 22<sup>nd</sup> July, 2025

**(Sanjay Gupta)**  
Company Secretary

## Annexure to the Notice:

### Statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015:

#### Item No. 5 of the Special Business:

The Board of Directors vide its resolution dated 6<sup>th</sup> August, 2022 had appointed Ms. Sagrika Jain as an Executive Director of the Company for a term of 3 (Three) consecutive years starting from 6<sup>th</sup> August, 2022 to 5<sup>th</sup> August, 2025. Her appointment was approved by the Members in their Annual General Meeting held on 30<sup>th</sup> September, 2022.

Ms. Sagrika Jain has done B.Sc. (Eco. & Finance Hons.) from University of Bristol, UK and Master of Business Administration (MBA) from London Business School, London. She has an experience of around 7 years in Textile Industry. Considering her performance, dedication, skills and qualification and based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors vide its resolution dated 22<sup>nd</sup> July, 2025 had re-appointed Ms. Sagrika Jain as an Executive Director of the Company for a period of 3 (Three) consecutive years starting from 6<sup>th</sup> August, 2025 to 5<sup>th</sup> August, 2028. The terms and conditions of the remuneration being paid to her are detailed in the resolution. During the financial year 2024-25, she has drawn a remuneration of ₹ 1.15 crore.

Ms. Sagrika Jain is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Executive Director of the Company. Ms. Jain satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for her re-appointment.

A brief profile of Sagrika Jain is provided at the end of this statement.

Her re-appointment is subject to approval of the Members of the Company. The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the Members. Accordingly, your approval is solicited.

#### Memorandum of Interest:

Except Ms. Sagrika Jain, being appointee, Mr. Shri Paul Oswal, Mrs. Suchita Jain, Mr. Sachit Jain and Ms. Soumya Jain, being appointee's relative, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

#### Item No. 6 of the Special Business:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on 3<sup>rd</sup> May, 2025 appointed M/s. Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, New Delhi as Cost Auditors of the Company to conduct Cost Audit for Financial Year ending 31<sup>st</sup> March, 2026, at a remuneration of ₹ 7,68,000/- plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is solicited for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of payment of remuneration as stated above to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2026. The Board recommends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the Members.

#### Memorandum of Interest:

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

#### Item No. 7 of the Special Business:

Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), inter alia, provides that with effect from 1<sup>st</sup> April 2025, every listed company is required to appoint a Practicing Company Secretary for not more than one term of five consecutive years or a firm of Practicing Company Secretaries as Secretarial Auditors for not more than two terms of five consecutive years, with the approval of the members at its Annual General Meeting and such Secretarial Auditors(s) must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified under the Listing Regulations.

In compliance with the abovesaid Listing Regulations, the Board of Directors of your Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Ashok K Singla & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for a term

of five (5) consecutive years i.e. from financial year 2025-26 to 2029-30 at a fees of ₹ 50,000/- per annum, plus out-of-pocket expenses and applicable taxes.

M/s Ashok K Singla & Associates is led by Mr. Ashok Singla, a Fellow Member of the Institute of Company Secretaries of India with over 40 years of experience. The firm has experience in dealing with matters relating to Company Law, Secretarial & Management Advisory Services, Legal Due Diligence, Mergers and Acquisitions, Listing Regulations etc. The firm is providing consultation services to many listed and unlisted Companies in India on Company Law and various legal matters. Apart therefrom, the firm is also handling assignments relating to Public Issues and Rights Issues.

The appointment of M/s. Ashok K Singla has been made taking into consideration factors such as technical skills, independence,

industry experience, expertise and quality of audit practices. M/s. Ashok K Singla & Associates has consented to their appointment as the Secretarial Auditors of the Company and have confirmed that they fulfill the criteria as specified in Clause (a) of regulation 24A (1A) of the Listing Regulations and holds a valid peer review certificate and have not incurred any of disqualifications as specified under the Listing Regulations.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 7 for approval of the Members. Accordingly, your approval is solicited.

#### MEMORANDUM OF INTEREST:

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the Ordinary Resolution as set out at Item No. 7 of the Notice.

### Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), regarding the Directors retiring by rotation/ seeking appointment/ re-appointment in the Annual General Meeting.

Name of the Director	Mrs. Suchita Jain	Mr. Neeraj Jain	Ms. Sagrika Jain
<b>Date of Birth</b>	20.03.1968	09.10.1967	04.02.1995
<b>Age</b>	57	58	30
<b>Date of First Appointment</b>	29.01.2010	31.03.2010	06.08.2022
<b>No. of meetings attended during the FY 2024-25</b>	6	6	7
<b>Expertise in specific functional area</b>	Business Executive having experience of more than 32 years in Textile Industry.	Business Executive having experience of more than 34 years in Textile Industry.	Business Executive having knowledge of finance, marketing and strategic planning.
<b>Qualification</b>	M.Com	B.Com, Chartered Accountant	B.Sc. (Eco. & Finance Honours), M.B.A.
<b>Directorships in other Companies as on 31<sup>st</sup> March, 2025</b>	<b>LISTED COMPANIES:</b> <ul style="list-style-type: none"> <li>Vardhman Special Steels Limited</li> <li>Vardhman Holdings Limited</li> <li>Vardhman Acrylics Limited</li> </ul> <b>UNLISTED COMPANIES:</b> <ul style="list-style-type: none"> <li>VTL Investments Limited</li> <li>Santon Finance &amp; Investment Company Limited</li> <li>Flamingo Finance &amp; Investment Company Limited</li> <li>Ramaniya Finance &amp; Investment Company Limited</li> <li>Mahavir Spinning Mills Private Limited</li> <li>Devakar Investment &amp; Trading Company Private Limited</li> </ul>	<b>LISTED COMPANIES:</b> <p>Nil</p> <b>UNLISTED COMPANIES:</b> <ul style="list-style-type: none"> <li>Vardhman Apparels Limited</li> <li>Vardhman Textile Components Limited</li> <li>Vardhman Spinning and General Mills</li> <li>Oswal Castings Private Limited</li> </ul>	<p>Nil</p>

Name of the Director	Mrs. Suchita Jain	Mr. Neeraj Jain	Ms. Sagrika Jain
<b>Chairperson/Member of Committees of other Companies as on 31<sup>st</sup> March, 2025</b>	<p><b>LISTED COMPANIES:</b></p> <p><b>Vardhman Holdings Limited:</b></p> <ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee (Chairperson)</li> </ul> <p><b>UNLISTED COMPANIES:</b></p> <p><b>Santon Finance and Investment Company Limited:</b></p> <ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee (Member)</li> <li>Audit Committee (Member)</li> </ul> <p><b>Flamingo Finance and Investment Company Limited:</b></p> <p><b>Ramaniya Finance and Investment Company Limited:</b></p> <ul style="list-style-type: none"> <li>Nomination and Remuneration Committee (Member)</li> <li>Corporate Social Responsibility Committee (Member)</li> <li>Audit Committee (Member)</li> <li>Risk Management Committee (Member)</li> <li>Asset Liability Management Committee (Member)</li> </ul> <p><b>VTL Investments Limited:</b></p> <ul style="list-style-type: none"> <li>Nomination and Remuneration Committee (Chairperson)</li> <li>Corporate Social Responsibility Committee (Chairperson)</li> <li>Audit Committee (Chairperson)</li> <li>Risk Management Committee (Chairperson)</li> <li>Asset Liability Management Committee (Chairperson)</li> </ul>	Nil	Nil
<b>Listed entity from which the Director resigned in last 3 years</b>	Nil	Nil	Nil
<b>Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met</b>	Not Applicable	Not Applicable	Not Applicable
<b>Shareholding in the Company</b>	12,22,120	3,000	34,925
<b>Relationship with other Directors/ KMP</b>	Mr. Shri Paul Oswal is father, Mr. Sachit Jain is husband, Ms. Sagrika Jain and Ms. Soumya Jain are daughters of Mrs. Suchita Jain.	Not related to any Director/ KMP.	Mr. Shri Paul Oswal is grandfather, Mr. Sachit Jain is father, Mrs. Suchita Jain is mother and Ms. Soumya Jain is sister of Ms. Sagrika Jain.

# Corporate Information

## Board of Directors

### Mr. Shri Paul Oswal

Chairman & Managing Director

### Mr. Udeypaul Singh Gill

### Mr. Sachit Jain

### Mr. Suresh Kumar

### Mrs. Harpreet Kaur Kang

### Dr. Prem Kumar

### Mr. Atul Khosla

### Dr. Arvind Sahay

### Ms. Soumya Jain

### Mrs. Suchita Jain

Vice-Chairperson & Joint Managing Director

### Mr. Neeraj Jain

Joint Managing Director

### Ms. Sagrika Jain

Executive Director

## Chief Financial Officer

### Mr. Rajeev Thapar

## Company Secretary

### Mr. Sanjay Gupta

## Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, New Delhi

## Bankers

State Bank of India

HDFC Bank

ICICI Bank

Kotak Mahindra Bank

Axis Bank

Punjab National Bank

Export Import Bank of India

## Registered & Corporate Office

Vardhman Premises, Chandigarh Road, Ludhiana – 141010.

Phones: (0161)2228943-48

E-mail: [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

Website: [www.vardhman.com](http://www.vardhman.com)

CIN: L17111PB1973PLC003345

## Registrar & Transfer Agent

Alankit Assignments Limited, New Delhi

## Branches

- P-22, 3<sup>rd</sup> Floor, Flat No. 6, C.I.T. Road, Scheme LV, Kolkata-700 014.
- Chandigarh Road, Ludhiana-141010.
- 314, Solaris II, Opposite L & T Gate No. 6, Saki Vihar Road, Andheri (East), Mumbai-400 072.
- 309-310, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi-110 001.
- Door No. 4/1-4, Avinashi Road, Pantaloon Back side, Tirupur-641603.
- 1<sup>st</sup> Floor, Palm Court, Opposite Management Development Institute, MG Road, Sector -16, Gurugram - 122 001





Vardhmān

# Vardhmān

Delivering Excellence. Since 1965.

**Vardhman Textiles Limited**

Chandigarh Road, Ludhiana - 141 010

CIN: L17111PB1973PLC003345