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

Ref. VTL:SCY:AUG:2026-27 **Dated: 25-Aug-2026**

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

SUB: ANNUAL REPORT (F.Y. 2025-26) OF THE COMPANY, NOTICE CONVENING 53RD ANNUAL GENERAL MEETING & E-VOTING INFORMATION

Dear Sir,

Pursuant to applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 53rd Annual General Meeting ('AGM') of the Members of the Company will be held on Thursday, 17th September, 2026 at 10:00 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').

Further, the Company has fixed Thursday, 10th September, 2026 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 14, 2026 (09:00 am onwards)
End of remote e-Voting	September 16, 2026 (upto 05:00 pm)

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report (F.Y. 2025-26) alongwith the Notice convening the 53rd AGM of the Company. The said documents are also available on the website of the Company at www.vardhman.com.

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

Kindly take the same on record.

Thanking you,

Yours faithfully,

For VARDHMAN TEXTILES LIMITED

SANJAY GUPTA

Digitally signed by SANJAY GUPTA
DN: c=IN, postalCode=141010, st=PUNJAB, street=HOUSE NO . 1883 ,WARD NO . 10 ,LUDHIANA,SECTOR 32-A CHANDIGARH ROAD ,141010, l=LUDHIANA, o=Personal, serialNumber=f90871601590b53e4e52bd5cbc80df08eb5fd927c6f81aa06bcbf1aed41af6ab, pseudonym=d15d9677668740aaaad9f38f5a08c864, 2.5.4.20=124bad9891b98bc1c230ebad1a3f92123370292ebb19fd0cd2aded21fd129d95, email=SANJAYGUPTA@VARDHMAN.COM, cn=SANJAY GUPTA
Date: 2026.08.25 19:14:38 +05'30'

(SANJAY GUPTA)
COMPANY SECRETARY

Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

ANNUAL REPORT 2025-26

CONTENT

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.

We redefined resilience we reinforced leadership we set the course for tomorrow...

PERFORMANCE HIGHLIGHT, FY26

PERFORMANCE

₹ 9,652.33 cr Revenue from Operations	₹ 1,494.37 cr EBITDA
₹ 740.02 cr Net Profit	₹ 10,187.73 cr Net Worth

PROFITABILITY

15.48% EBITDA Margin	7.97% Net Margin	7.26% Return on Networth

ENVIRONMENT

172.71 Lac kWH Energy Saving achieved	4.52 Mn KL Water treated (ETPs, STPs & ZLDs)	68.31 MWp Solar Energy Capacity

SOCIAL

1,878 Training and awareness programs held	35.42% Women in our Team	1,15,007 Lives Impacted through CSR interventions during the year

GOVERNANCE

50% Independent Directors in our Board	33.33% Percentage of Women on the Board	96.67% Attendance at Board Meetings

CHAIRMAN'S STATEMENT

Dear Shareholders,

The occasion of presenting you with the Annual Report for the financial year 2025-26 is, as always, an opportunity for me to share with you my perspective on the textile industry, our performance and future roadmap.

The Economic Backdrop

India remained, through the year, among the fastest-growing major economies of the world, supported by resilient domestic demand, moderate inflation and prudent fiscal and monetary management. This stability has been a source of strength for the Industry, even as the external environment proved unusually turbulent. Global trade was disrupted to a degree not seen in recent memory, with shifting tariff policies unsettling supply chains and prompting buyers across several markets to defer decisions as they awaited clarity.

The Textile Industry

During the year, the Indian textile industry faced a formidable combination of pressures. The imposition of steep import duties by the United States on goods from major exporting nations created uncertainty and caution among global brands. At the same time, the domestic spinning industry continued to struggle under a structural raw-material disadvantage, as Indian cotton traded at a premium to international benchmarks on account of Minimum Support Price levels and the 11% import duty on cotton. Spinning margins were consequently compressed, and the industry's profitability remained under strain.

The second half brought a welcome change. The removal of United States tariffs restored India's competitiveness, and capacity utilization of our garment and home-textile exporters improved. This recovery flowed back through the value chain, lifting demand for yarn and fabric alike.

During the later part of the year, the demand from China rose sharply, as global developments led Chinese manufacturers to source a substantially larger quantity of yarn from India. Indian cotton prices realigned with world markets, removing the disadvantage that had so burdened the first half of the year. Spinning spreads, which had fallen to a very low levels, recovered and the industry entered the new year with a confidence.

Beneath this cyclical turn lies a deeper structural shift that I consider even more important. Over the past two to three years, there has been significant closures of a spinning units estimated to the order of more than 10-11 million spindles.

Your Company's Performance

Against this turbulent backdrop, your Company conducted itself with the steadiness that has long defined it. We maintained high levels of capacity utilisation especially in spinning though we faced strong headwinds in fabric segment in export and domestic market.

We protected our customer relationships through the breadth of our geographic presence, spanning, China, the United Kingdom, Europe, Japan, South America, Australia, Bangladesh and other markets and through our continued shift towards direct engagement with global brands.

Our financial results for the year reflected this resilience. Your Company recorded consolidated revenue from operations of ₹9,869 crore and maintained EBITDA margin of approximately 15%, notwithstanding the odds faced during the year under review. We keep on investing to modernizing as part of our long-term strategy.

A Word on Cotton Policy

Availability of cotton at internationally competitive prices remains the sine qua non for the competitiveness of the textile industry. Since cotton is a natural raw material, its production is highly dependent on weather conditions. Therefore, the industry has been consistently representing to the Government that cotton imports should remain open and duty-free on a permanent basis. However, the Government has, from time to time, allowed duty-free imports only for limited periods, which creates uncertainty for the industry and impedes timely procurement and decision-making.

Sustainability and Our People

Sustainability remains at the very heart of our strategy. We have continued to expand the share of green power in our energy mix, invest in biomass and solar capacity, and scale our recycling capabilities, in the firm belief that responsible manufacturing is now inseparable from competitive manufacturing.

Challenges are not overcome at the higher echelons of an organization alone. Indeed, the dynamism of a company is reflected in the commitment and dedication of its people, who are willing to embrace change—change that demands greater effort, continuous learning, and constant reorientation. This is the bedrock of success in an ever-changing environment.

I can say with a deep sense of fulfilment and pride that our continuous pursuit of training our people and developing talent has always been an integral part of our culture. We strongly believe that investing in our people and continuously developing their capabilities is essential to building an organization that is resilient, agile, and prepared for the future.

The Way Forward

I look to the future with considered optimism. The structural consolidation of our industry, the realignment of cotton economics, and the prospect of Free Trade Agreements with the United Kingdom and the European Union together promise to be powerful engines of growth for Indian textiles in the years ahead. Your Company, with its scale, integration, modernised assets and enduring relationships, is well placed to lead in this new chapter.

I thank you, our shareholders, for your continued trust and support, and I extend my gratitude to our employees, customers, partners and the communities we serve for their unwavering faith in Vardhman.

Sincerely,

Shri Paul Oswal

Chairman & Managing Director

Investing Through the Cycle
Our ₹3,660 Crore Growth Programme

The Scale of Intent

We have committed to a capital investment programme of approximately ₹3,660 crore — one of the most significant expansion cycles in our recent history. The programme is deliberately broad. It spans spinning and weaving, an entry into technical textiles, fabric processing, garment manufacturing, comprehensive modernisation of existing assets and a substantial investment in green energy infrastructure.

This is not expansion for its own sake. It is a coordinated effort to move our entire platform up the value chain — to produce more differentiated products, at lower cost, with a smaller environmental footprint, for a more demanding and higher-value customer base.

Why Now: Our Rationale for Expansion

The timing reflects our clear reading of the industry's structural inflection.

The global textile supply chain is being redrawn. Brands and retailers are diversifying sourcing away from concentrated geographies toward large, compliant and technologically capable partners — a shift that favours scale players in India. At the same time, India's own spinning industry has undergone severe consolidation, with an estimate of more than 11 million spindles permanently exiting the market.

We are choosing to invest in this consolidation, not retreat from it. With a reaffirmed CRISIL AA+/Stable rating, a conservative debt-to-equity ratio of around 0.2 times, we possess the financial strength to expand and emerge out of this cycle with an increased market share.

Where We Are Deploying Capital

Our programme is allocated across five clear priorities.

Spinning & fabric: We are modernising and selectively expanding our spinning base, having added approximately 35,000 spindles during the year. A modernisation programme of around ₹1,200 crore is upgrading our existing assets, in spinning & fabric business, to improve efficiency, reduce cost and enable the production of more complex, higher-margin yarns.

Technical Textiles: This marks our formal entry into a new, higher-margin category. Our initial focus is on synthetic functional fabrics — windcheaters, rain-protective gear and similar performance applications — with a Phase - I capacity of around 1.5 million metres per month. Early demand has been encouraging, including from sportswear brands. We see this as a natural extension of our integrated platform into engineered applications with strong and growing end-market demand.

Fabric Processing: A ₹350 crore expansion at Budhni, Madhya Pradesh, has added 31 million metres (approx.) of annual processed-fabric capacity. With this addition, the fabric processing capacity of the Company, including Technical Textiles, has reached to about 240 million meters per annum.

Garments: An investment for increasing our garment capacity, from 2.2 million to 4.5 million shirts per annum, deepening our presence in the most consumer-facing and value-additive segment of the chain.

Green Energy: Our phased Green Capex programme is replacing coal-fired boilers with biomass and paddy-straw systems, scaling solar generation toward 70 MWp and adding renewable capacity through investments such as a stake in a captive wind-solar project. Our target is 60% green power by FY2027-28.

When will it be commissioned?

We are delivering the programme in a staggered sequence designed to match capacity with demand.

The Budhni processing line and our technical textiles facility reached commercial production in March 2026. The bulk of our Green Capex programme is complete. Our garment capacity expansion is targeted for completion in FY27.

This phasing is intentional. We will raise utilisation of newly commissioned capacity and demonstrate returns before committing to further rounds of expansion. We have always believed that disciplined commissioning matters as much as the investment decision itself.

How It Benefits Us

We expect the programme to strengthen our business along four dimensions.

First, revenue growth. Our spinning and fabric expansion is expected to add incremental revenue as the new lines ramp up, with the shift toward processed fabric yielding higher realisations than grey fabric.

Second, margin enhancement. Modernisation lowers our cost base, while technical textiles, value-added fabric and garments all carry higher margins than commodity yarn.

Third, improved quality and productivity. Each rupee we invest reinforces our commitment towards improving our control over quality, lead times and product development distinguishing us from others.

Fourth, cost and ESG resilience. Our green-energy investments reduce exposure to volatile fossil-fuel costs while meeting the sustainability expectations now embedded in global sourcing decisions.

Taken together, the programme is designed to make us less cyclical, less commoditised and more profitable across the cycle.

Is the Sectoral Landscape Supportive?

We believe the structural backdrop is favourable on several fronts.

As the world's second-largest spinning nation, India is positioned to absorb incremental global demand — particularly as free trade agreements take effect. The India–UK Free Trade Agreement, in particular, can materially improve the competitiveness of Indian fabric and apparel in a major market, with agreements covering the European Union and the United States expected to extend the opportunity further.

Demand-side signals reinforce our confidence. The removal of U.S. tariffs has restored India's competitiveness in apparel, lifting garment exporters back toward full utilisation. Chinese yarn offtake from India has risen sharply. And global consolidation — with China itself drawing down spinning capacity from a peak of around 112 million spindles toward 84 million spindles — is tightening supply and rewarding reliable, large-scale producers.

A measure of caution is warranted in commodity spinning, where margins remain sensitive to the gap between domestic and international cotton prices. Our response is precisely the strategy this programme embodies: invest in the value-added, processed and downstream segments with more structural opportunity.

The Opportunities We Intend to Capture

This investment positions us to capitalise on a set of converging opportunities.

It's our constant endeavour to participate in the China-plus-one shift, as global brands seek scaled, compliant alternatives to concentrated sourcing geographies. We will focus on value-added higher-margin product categories with strong and growing demand. We will convert FTA access into export growth, particularly in the UK, EU and US apparel markets. And we will differentiate on sustainability, meeting accelerating demand for recycled, traceable and low-footprint products. In this area, our green-energy and ReNova investments give us a credible and growing edge.

The ₹3,660 crore programme is, in essence, a step towards our own structural advantages — scale, integration, financial strength and execution discipline — at a moment when the industry is rewarding exactly those qualities. Delivered on schedule and absorbed efficiently, it is intended to define our next phase of sustainable growth.

ABOUT THE COMPANY

WOVEN INTO INDIA'S GROWTH STORY

For over six decades, Vardhman has been an integral part of India's textile journey, growing alongside the nation's industrial evolution while helping shape its global reputation in textiles.

Established by the Late Shri Lala Rattan Chand Oswal, Vardhman Textiles is today the flagship company of the Vardhman Group. Under the visionary leadership of Chairman Shri S.P. Oswal, Padma Bhushan awardee and a gold medallist from Panjab University, the Company has evolved into one of India's most respected textile manufacturers, building a strong presence across domestic and international markets.

From being largest spindle-based textile manufacturer, Vardhman has built an ecosystem that spans the entire textile value chain, transforming fibre into world-class yarns, fabrics and garments.

Headquartered in Ludhiana, Punjab, the Company operates one of India's most extensive vertically integrated textile platforms. Manufacturing facilities across Punjab, Himachal Pradesh and Madhya Pradesh have an installed spinning capacity of about 1.25 million spindles, 1,550 looms, processed fabric capacity of approximately 240 million metres per annum and a garment manufacturing facility producing 2.20 million shirts annually. This integrated infrastructure combines scale, technology and process excellence to serve customers across 60 plus countries.

The product portfolio encompasses greige and dyed yarns in cotton, polyester, acrylic and blends; speciality yarns, including organic cotton, melange, core-spun, gassed mercerised and super-fine variants; woven fabrics for shirting and trousering; and finished garments for premium international brands.

Vardhman's true distinction, however, lies beyond production capacity. It lies in a culture that continuously pursues higher benchmarks of quality, efficiency, sustainability and innovation. Across every facility, every process and every product, the Company strives to create value that endures. Manufacturing operations are certified across ISO 9001, ISO 14001 and ISO 45001 standards. Sustainability commitments include a target of Net Zero Emissions by 2045 and 40 percent green power generation by end of 2026.

A workforce of over 24,000 people powers this ecosystem. Their expertise, commitment and continuous pursuit of improvement remain at the heart of everything Vardhman delivers.

Today, as global supply chains evolve and India strengthens its position as a preferred sourcing destination, Vardhman remains committed to the same principle that has guided it for decades: excellence is always a pursuit, never a destination.

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.*

IN PERSPECTIVE

13
Manufacturing Facilities

24,000+
Team Size

1.25 MN
Spindle count

1,550
Looms

240 MN
Fabric Processing capacity (Mtrs PA)

25 MN
Printing Line capacity (Mtrs PA)

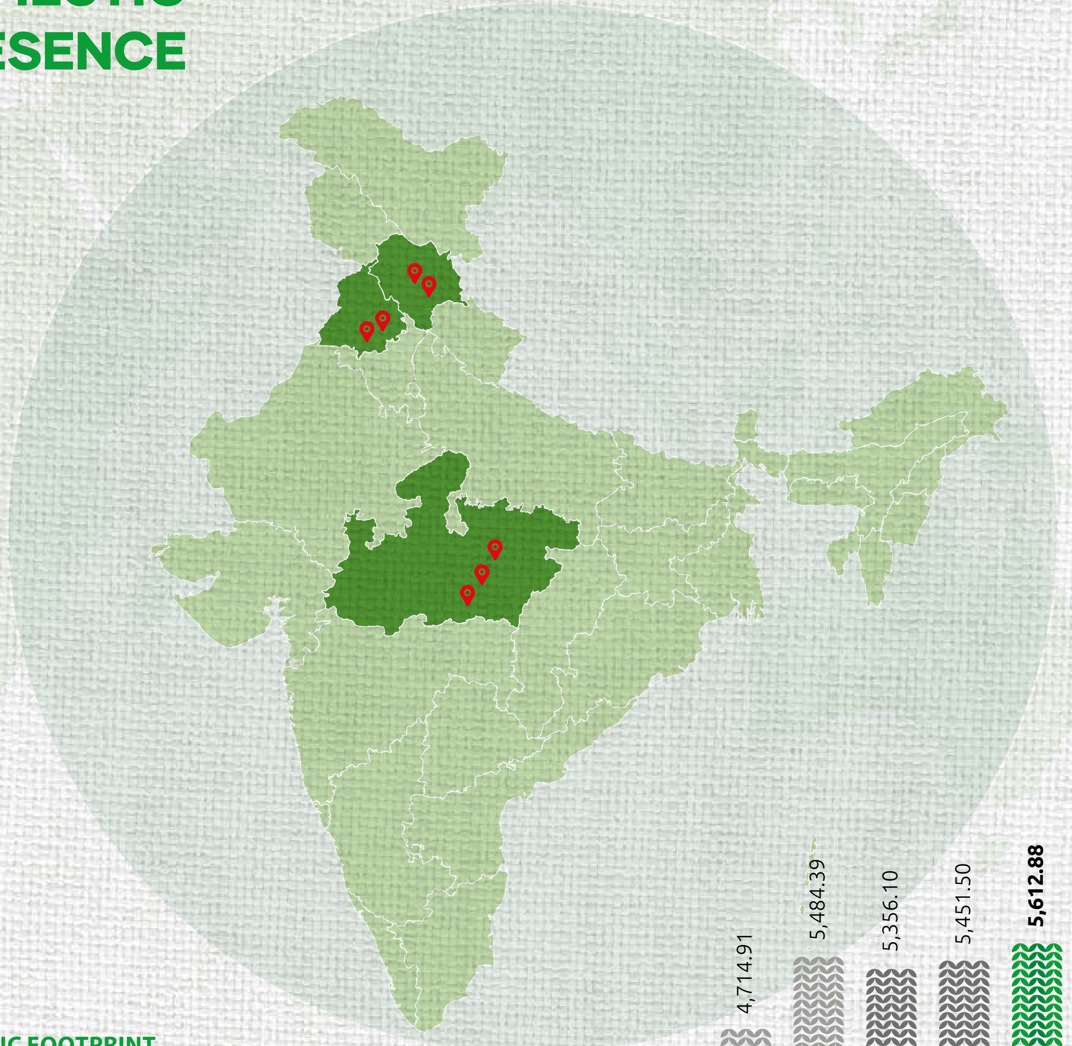
2.20 MN PCS
Garmenting Capacity

₹ 15,150 cr
Market Capitalisation as on March 31, 2026

GOALS

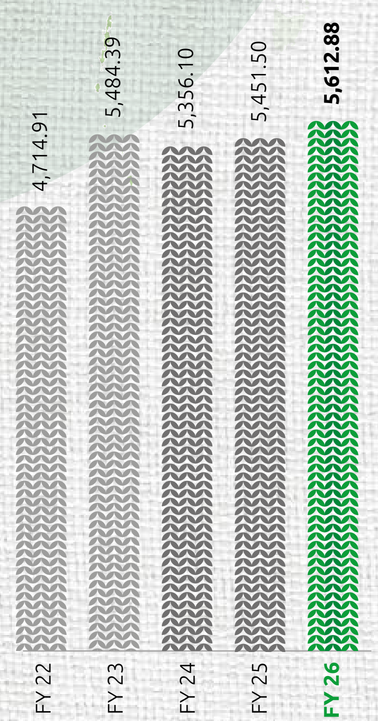
To make maximum utilisation of resources to innovate, diversify, integrate and build a dynamic enterprise.

DOMESTIC PRESENCE



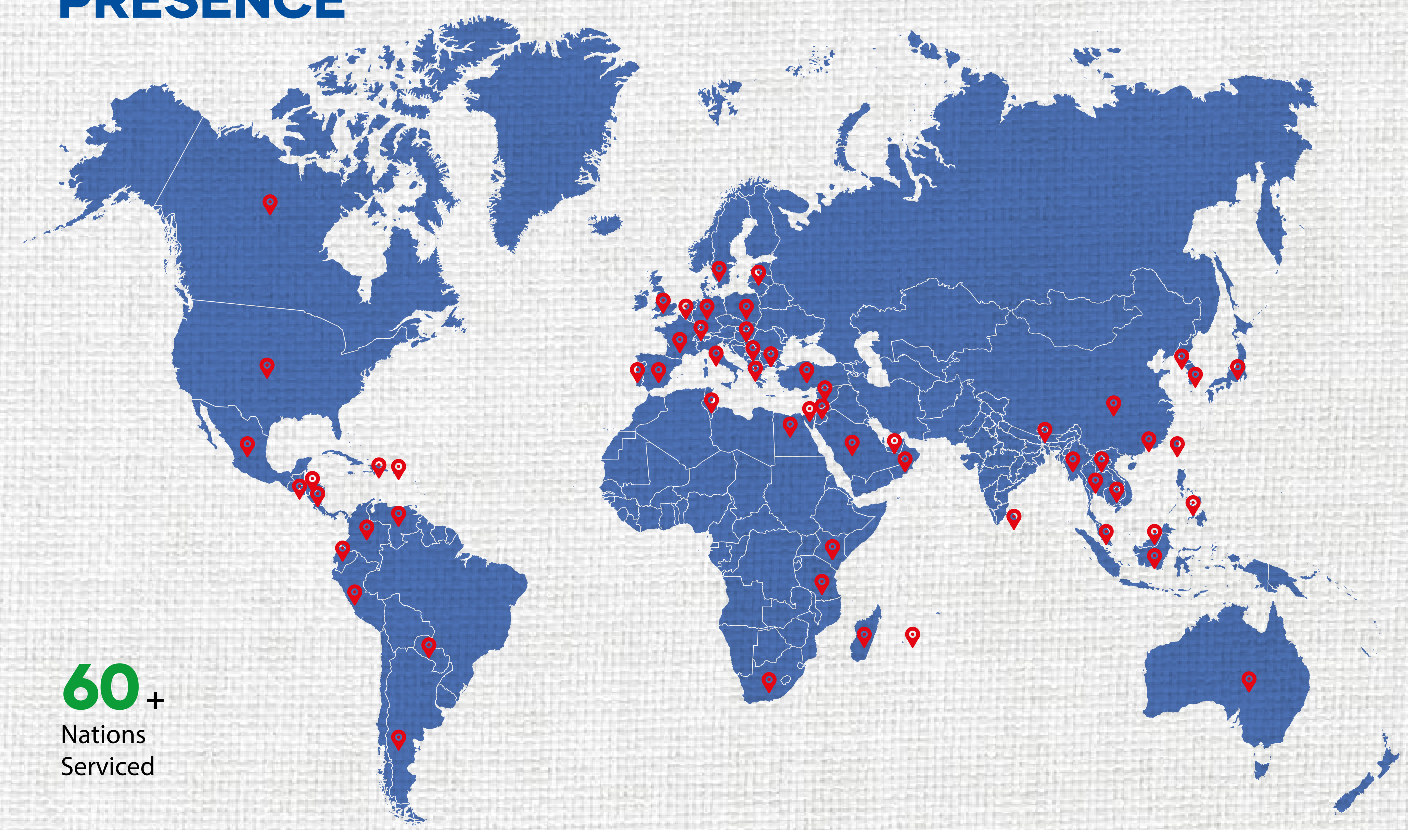
DOMESTIC FOOTPRINT

Business Segment	Location
Yarn Units	Ludhiana, Punjab Malerkotla, Punjab Baddi, Himachal Pradesh Mandideep, Madhya Pradesh Satlapur, Madhya Pradesh Budhni, Madhya Pradesh
Fabric Units	Baddi, Himachal Pradesh Budhni, Madhya Pradesh
Garment Unit	Ludhiana, Punjab



Domestic Revenue Contribution (₹ crore)

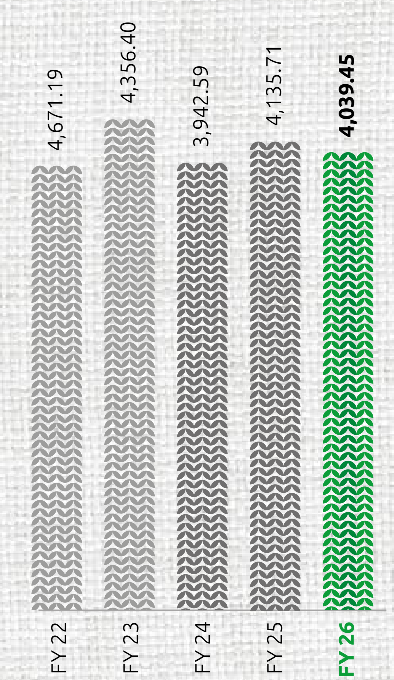
INTERNATIONAL PRESENCE



60+ Nations Serviced

INTERNATIONAL MARKETS SERVED

Region	Countries
North America	Bahamas, Canada, Mexico, USA
Latin America	Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Paraguay, Peru, Venezuela
Europe	Belgium, Bulgaria, Croatia, Denmark, France, Germany, Greece, Italy, Netherlands, Poland, Portugal, Spain, Serbia, Montenegro, Sweden, Turkey, United Kingdom
Middle East	Israel, Jordan, Lebanon, Saudi Arabia, UAE
Africa	Benin, Burkina Faso, Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Morocco, South Africa, Tunisia
Asia-Pacific	Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Myanmar, Philippines, Sri Lanka, Taiwan, Thailand, Vietnam



Export Contribution (₹ crore)

OUR JOURNEY

OF MILES & MILESTONES

For over six decades, Vardhman has evolved with conviction, expanding capabilities, entering new segments and continuously strengthening its position across the textile value chain. What began as a modest spinning operation has grown into one of India's most integrated textile enterprises, built on a foundation of quality, innovation and disciplined execution.

Each milestone in our journey reflects a strategic step towards creating a stronger, more diversified and future-ready organisation. From expanding into fabrics, garments and fibre to embracing sustainability and advanced manufacturing, we have consistently invested in building capabilities that create enduring value.

A LEGACY OF PURPOSEFUL GROWTH

1965

Commenced operations with 6,000 spindles, laying the foundation of the Vardhman journey.

1982

Expanded into sewing threads, broadening the Company's product portfolio.

1986

Acquired a steel manufacturing unit from Mohta Industries, now operating as Vardhman Special Steels Limited.

1992

Entered the weaving business with the establishment of a manufacturing facility at Baddi, Himachal Pradesh.

1999

Diversified into acrylic fibre manufacturing with a new facility at Bharuch, Gujarat.

2000

Expanded into woven fabric processing, strengthening downstream integration.

2007

Established the first integrated textile complex at Budhni, Madhya Pradesh, combining spinning, weaving and fabric processing capabilities.

2011

Entered the garments business with the launch of men's formal shirt manufacturing.

2013

Crossed one million spindles, becoming a textile company with the highest spindle capacity in India.

2015

Celebrated 50 years of excellence, innovation and industry leadership.

2016

Added a printed fabric line at Baddi, further enhancing value-added offerings.

2019

Vardhman Special Steels entered into a strategic partnership with Aichi Steel Corporation, Japan, strengthening its technological capabilities in special and alloy steels.

2021

Commissioned 'Vardhman ReNova', a fibre recycling facility with a capacity of 6 TPD, advancing the Company's sustainability agenda.

2026

Commissioned Technical Textile manufacturing facility with a capacity of 18 million meters per annum at Baddi and enhanced the fabric processing capacity by 31 million meters per annum at Budhni.

2025-26

Setting the Platform. Transitioning Into a New Orbit of Growth.

Two major facilities reached commercial production. A new 31 million metres-per-annum processed fabric line went live. An 18 million metres-per-annum performance fabric facility, Vardhman's first dedicated synthetic woven platform, commenced operations. Further, the garment unit production to scale up from 2.2 million to 4.5 million shirts per annum, more than doubling output for premium international brands.

Across its spinning business, 90 per cent of the modernisation programme was completed. Across the organisation, a ₹3,660 crore capex programme advanced simultaneously on five fronts: spinning, fabrics, technical textiles, garments and green energy.

Every investment is directed at one goal: building the infrastructure for the next decade of growth.

THE VARDHMAN ADVANTAGE

Six decades of disciplined investment, continuous capability building and deep integration have shaped Vardhman into one of India's most resilient textile enterprises. Markets have shifted. Customer expectations have risen. Trade architectures have been rewritten. Through each transition, the Company has adapted — not by reacting, but by investing ahead of the curve.

What endures is a set of competitive advantages that cannot be assembled quickly or replicated easily. They are the product of sustained execution, technological commitment, operational rigour and trust earned over generations. Together, they anchor Vardhman's leadership today, equip it to navigate cycles with confidence and position it to capture the opportunities that lie ahead.

SCALE

Vardhman operates India's largest spindle base. Its manufacturing footprint spans yarn, fabric and garments — a breadth of integration that few in the industry can match. Scale of this order delivers tangible advantages: lower unit costs, greater operating flexibility and the ability to serve diverse markets and product categories from a single platform. It also signals credibility. Global brands engage with partners they can depend on at volume, season after season. Vardhman is that partner.

INTEGRATION

Fibre to yarn. Yarn to fabric. Fabric to garment. Vardhman controls each stage of the textile value chain. This integration is not merely structural — it is a competitive weapon. It tightens quality control. It compresses lead times. It lowers costs. And it allows the Company to move from raw material to finished product with a precision and responsiveness that fragmented supply chains cannot deliver.

DIVERSIFICATION

Vardhman does not rely on any single fibre, product, market or geography. Its portfolio is deliberately broad — spanning cotton and synthetics, yarn and garments, domestic and export, formalwear and performance. This diversification is by design. It absorbs shocks. It smooths cycles. And it ensures the Company is always positioned where demand is moving, not where it has been.

TRUST

Trust is earned over decades. It cannot be accelerated.

Vardhman has built enduring relationships with customers, suppliers, employees and the communities in which it operates. The foundation is consistent: reliable quality, ethical conduct and a commitment to delivering on every promise. These relationships are not transactional. They are institutional. And in an industry where partnerships determine access to the best markets and the best talent, trust is among the most valuable assets the Company holds.

QUALITY

Quality is not a function at Vardhman. It is a founding principle. Advanced manufacturing technology, stringent process controls and a culture of continuous improvement ensure that every product meets the exacting standards global customers demand. This is not aspirational. It is operational reality — validated across decades, across geographies and across some of the most quality-conscious brands in the world.

SUSTAINABILITY

Sustainability is no longer a choice. It is a condition of relevance. Vardhman has recognised this early and acted decisively. Renewable energy integration. Fibre recycling through ReNova. Resource conservation across manufacturing. Responsible sourcing and production practices embedded at every level. The goal is clear: create long-term value and steadily reduce the environmental footprint.

PRUDENCE

Growth requires investment. Resilience requires discipline. Vardhman has consistently delivered both. Capital allocation has been prudent and purposeful — directed toward capacity, technology and capability building at every stage of the cycle. The balance sheet remains strong. Leverage stays conservative. And the Company retains the financial flexibility to invest when opportunity presents itself, without compromising stability when markets turn.

VALUES

Some companies inherit values. Vardhman lives them. The principles laid down by its founders — integrity, commitment, respect and a long-term orientation — are not framed on walls. They shape decisions. They guide conduct. They define how the Company engages with every stakeholder, from the shop floor to the boardroom. In a business built over six decades, culture is not a soft asset. It is the hardest one to replicate.

OUR VALUE CREATION MODEL

At Vardhman, value creation begins with strong foundations and is sustained through disciplined execution. By integrating world-class manufacturing, innovation, responsible sourcing and people-centric practices, we transform resources into products, relationships and capabilities that create long-term value for all stakeholders.

INPUTS

FINANCIAL CAPITAL
Networth ₹**10,187.73** crore
Total Debt ₹**1,854.95** crore

MANUFACTURED CAPITAL
Manufacturing plants **13**
Number of spindles **1.25** million
Number of looms **1,550**
Processing capacity **240** million meter p.a
Garmenting capacity **2.20** million

INTELLECTUAL CAPITAL
R&D Facilities **4**
Investment in R&D ₹**5.93** crore

HUMAN CAPITAL
Permanent Employees **24,097**
Training and awareness programs held **1,878**

SOCIAL & RELATIONSHIP CAPITAL
Investment in CSR (in the past 5 years) ₹**100** cr (approx.)

NATURAL CAPITAL
ETPs **3**
STPs **9**
ZLDs **3**
Solar energy capacity **68.31** MWp
Recycling capacity **14500** KLD

VALUE CREATION PROCESS

1. **UNDERSTANDING MARKETS**
Deep customer engagement and market intelligence help us anticipate evolving preferences, identify emerging opportunities and align our offerings with changing industry requirements.

2. **INNOVATING WITH PURPOSE**
Continuous investments in product development, process enhancement and technological advancement enable us to deliver differentiated, value-added textile solutions.

3. **RESPONSIBLE RESOURCE SOURCING**
We strengthen supply-chain resilience through ethical procurement practices, sustainable sourcing frameworks and long-term supplier partnerships.

4. **INTEGRATED MANUFACTURING EXCELLENCE**
Our vertically integrated operations spanning spinning, weaving, processing and garmenting ensure quality consistency, operational efficiency and speed to market.

5. **ADVANCING CIRCULARITY**
Through resource conservation, fibre recycling initiatives and waste reduction programmes, we promote responsible manufacturing and lower environmental impact.

6. **DELIVERING TO GLOBAL MARKETS**
A strong distribution network and enduring customer relationships enable us to serve leading brands and businesses across domestic and international markets.

7. **BUILDING LASTING RELATIONSHIPS**
By consistently delivering quality, reliability and service excellence, we strengthen stakeholder trust and deepen customer engagement.

8. **EMPOWERING PEOPLE AND COMMUNITIES**
Investments in employee development, workplace well-being and community initiatives help create shared and sustainable growth.

OUTPUT

FINANCIAL CAPITAL
Revenue ₹**9,652.33** crore
EBITDA ₹**1,494.37** crore
Net Profit ₹**740.02** crore

MANUFACTURED CAPITAL
Yarn **2,78,775** MT
Fabric (Greige) **1,969** Lac meter
Fabric (Processed) **1,642** Lac meter
Garments **2.17** Million pieces

INTELLECTUAL CAPITAL
Specialised in yarn
High quality fabrics
Sustainable textiles
Strong brand reputation

HUMAN CAPITAL
Revenue per employee ₹**0.40** crore
Total training hours **28,750**

SOCIAL & RELATIONSHIP CAPITAL
CSR beneficiaries **1,15,007**
Women empowered **12,000**
Youth skilled **1,800**

NATURAL CAPITAL
Wastewater recycled **0.88** million KL
Energy saved **172.71** lac kWH
Renewable energy produced **3,373.35** lac KWH/ annum

OUTCOMES

FINANCIAL CAPITAL
Sustainable growth, stronger balance sheet and long-term value creation.

MANUFACTURED CAPITAL
Enhanced competitiveness, operational excellence and market leadership.

INTELLECTUAL CAPITAL
Greater innovation capability, customer preference and differentiated market positioning.

HUMAN CAPITAL
An engaged, skilled and future-ready workforce.

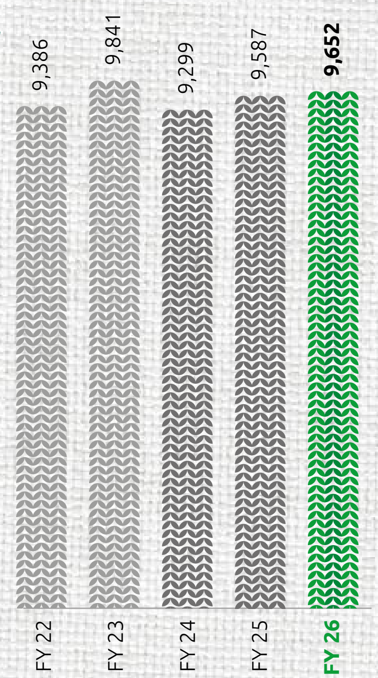
SOCIAL & RELATIONSHIP CAPITAL
Deeper stakeholder trust, stronger partnerships and broader social impact.

NATURAL CAPITAL
Reduced environmental footprint and progress towards a more sustainable textile ecosystem.

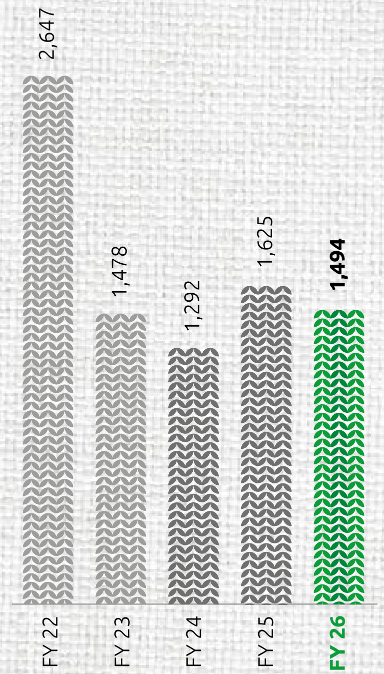
KEY PERFORMANCE INDICATORS

Our improved performance across several metrics in FY26 reinforces our conviction that we have the right team and strategy to accelerate growth, regain market share and drive sustained value creation for all stakeholders. This is not optimism for its own sake. It rests on the operating discipline we have built over decades and the structural advantages of a fully integrated model that spans fibre to fabric.

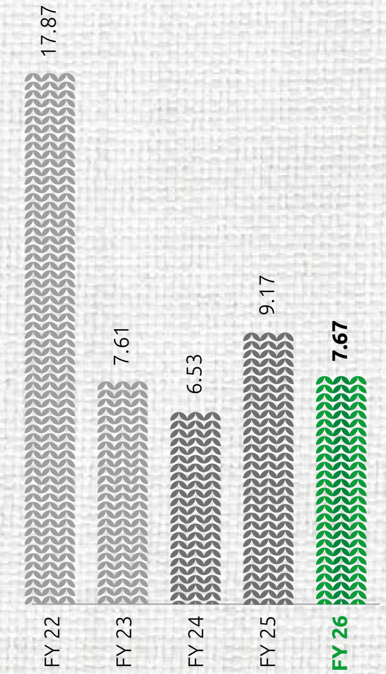
The year tested the industry. Demand remained uneven across key export markets, input costs stayed volatile and competitive intensity sharpened. Yet our fundamentals held. Operating efficiencies improved, our product mix moved further toward value-added offerings and our balance sheet retained the strength that has long defined this Company. These are the foundations on which durable performance is built and they position us to convert recovery into momentum as conditions turn.



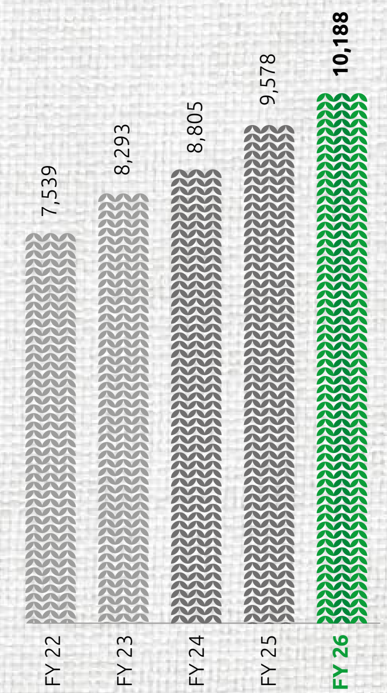
REVENUE
(₹ crore)



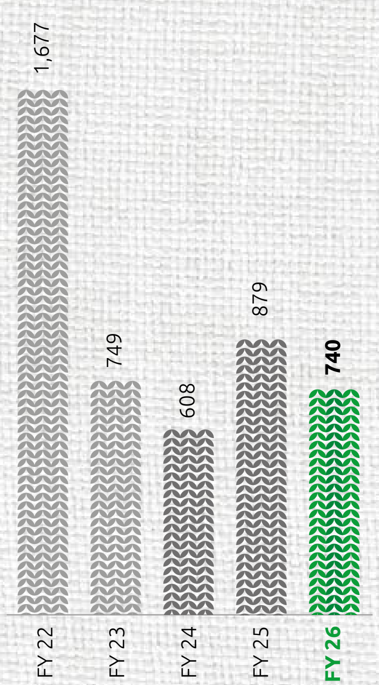
EBITDA
(₹ crore)



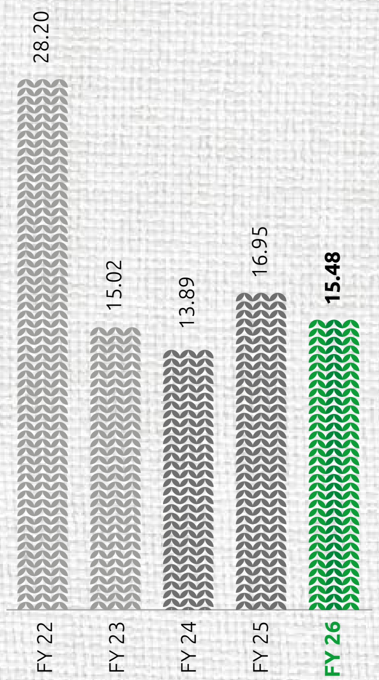
PAT Margin
(%)



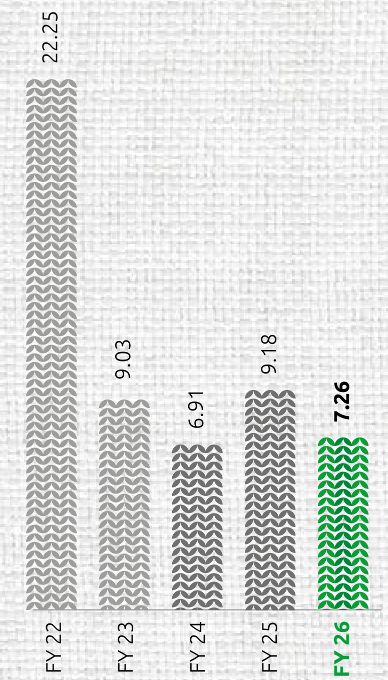
Networth
(₹ in Crore)



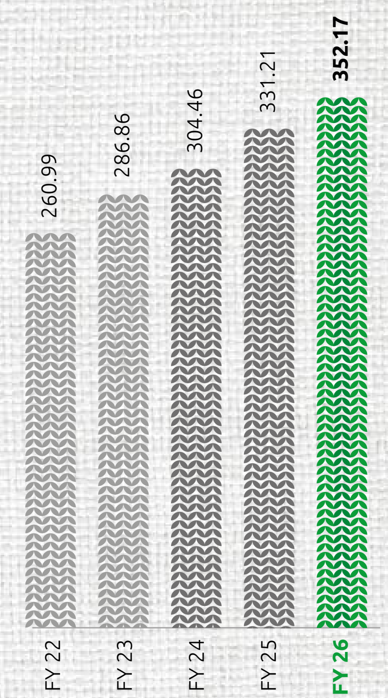
PAT
(₹ crore)



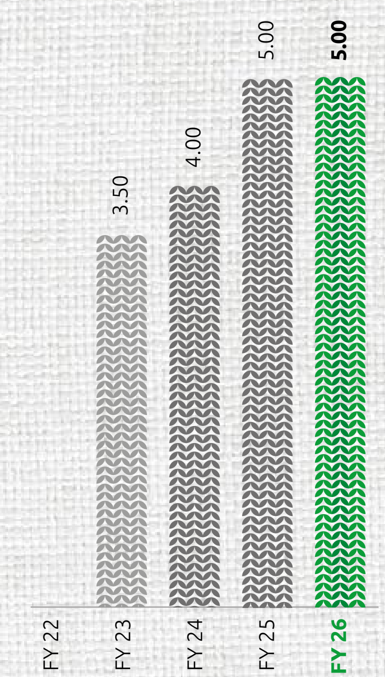
EBITDA Margin
(%)



Return on Networth
(%)



Book Value per Share
(₹)



Dividend per Share
(₹)

OUR BUSINESS

GARMENTS

1.50%

(Contribution to Total Revenue)

FABRICS

34.36%

(Contribution to Total Revenue)

YARN

64.14%

(Contribution to Total Revenue)

YARN

THE FOUNDATION

1.25 Million
Spindles

2,78,775 MT
Production in FY26

₹ 6,069 cr
Revenue in FY26

THE FOUNDATION OF INDIA'S TEXTILE VALUE CHAIN

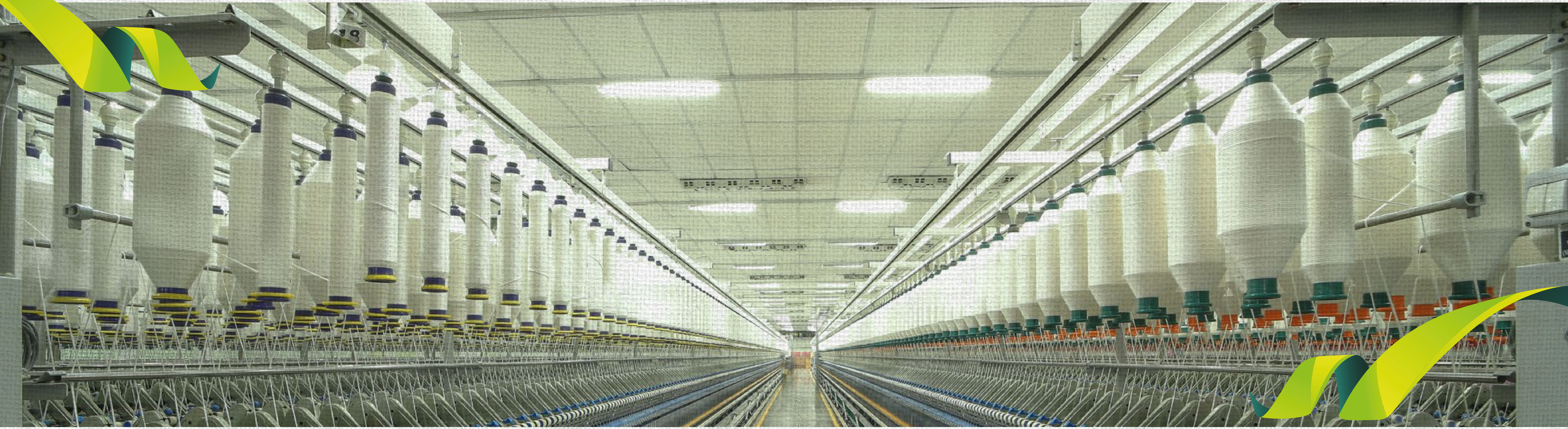
Yarn is where Vardhman began and it remains the cornerstone of the Company's integrated textile platform. With one of the largest spindle bases in the country — over 1.25 million spindles — a diversified product portfolio and relationships that span leading global brands, retailers and textile manufacturers across more than 60 countries, Vardhman stands among the most respected spinning companies anywhere.

The business today reaches well beyond conventional cotton yarns. Its portfolio spans melange, recycled, functional, compact, hand-knitting, slub, core-spun and blended yarns, allowing the Company to serve evolving customer requirements across a wide range of end-use applications. More fundamentally, yarn anchors Vardhman's vertically integrated model. It provides the operational flexibility, quality assurance and raw-material command from which higher-value fabric and garment opportunities naturally follow.

NAVIGATING A COMPLEX OPERATING ENVIRONMENT

The year opened into one of the most demanding environments the Indian spinning industry has faced in recent memory. Global textile demand stayed uneven and evolving trade policies — including tariff-related uncertainty in key markets — weighed on purchasing decisions through much of the year. Domestic spinners continued to face a structural raw-material disadvantage, as Indian cotton traded above international benchmarks due to MSP-linked pricing and import-duty barriers. Industry profitability remained under sustained pressure.

Yet adversity tends to accelerate structural change. In recent years, an estimated 11 to 11.5 million spindles have permanently exited the Indian market as smaller, less efficient units have become unviable, bringing the industry's effective working capacity to around 41 to 42 million spindles. This consolidation is steadily reshaping the competitive landscape in favour of large, technologically advanced and financially resilient manufacturers — precisely the cohort Vardhman has always belonged to.



PERFORMANCE IN FY26

The year started with textile industry witnessing a formidable combination of pressures. Margins remained compressed amid subdued global demand owing to imposition of tariffs by US and structural raw-material disadvantage, as Indian cotton traded at a premium to international benchmarks on account of Minimum Support Price levels and the 11% import duty on cotton.

However, the situation improved as the year progressed. The removal of U.S. tariffs restored India's competitiveness, lifting garment exporters from depressed utilisation levels back toward full capacity and pulling demand through the chain.

At the same time, a sharp rise in Chinese yarn offtake from India — from roughly 7 to 8 million kilograms a month to nearly 30 million kilograms — tightened the global supply-demand balance and lifted India's total monthly yarn exports past 120 million kilograms.

The effect on economics was pronounced. Spinning spreads recovered. Cotton itself realigned with global benchmarks as the Cotton Corporation of India anchored its pricing to long-term international levels, restoring the economics on which competitive spinning depends.

Vardhman entered this recovery from a position of strength. The Company maintained high utilisation across its spinning assets throughout the year 94%, protected its customer relationships through a diversified presence spanning Europe, the UK, Japan, South America and Australia and held direct exports steady at roughly 44 to 45% of revenue.

STRATEGIC ACTIONS DURING THE YEAR

Rather than reacting to short-term volatility, the Company kept its attention on long-term competitiveness.

A central thread has been the steady shift from transactional trade to direct engagement with global brands. Direct brand business within yarn exports has grown significantly over the years, building a more stable, quality-focused and value-accretive customer mix while opening the door to collaborative product development and higher-margin specialised offerings.

The Company advanced its premiumisation agenda in parallel: expanding value-added and differentiated yarn categories, operationalising additional melange capacity, scaling recycled and sustainable offerings through ReNova and continuing to modernise its spinning assets.

By year-end, close to 90% of the planned spinning modernisation programme was complete, sharpening flexibility, quality and cost efficiency across the base. Productivity gains from debottlenecking and process optimisation reinforced these returns. Alongside this, Vardhman deepened its investment in energy — solar integration, new biomass-based systems and broader cost-optimisation work — strengthening the cost foundation on which the business competes.

WHY WE REMAIN DIFFERENTIATED

What sets Vardhman apart is not scale alone, but the quality of the platform beneath it: India's largest spindle capacity, one of the industry's most diversified yarn portfolios, deep integration with downstream fabric and garment operations, enduring relationships with leading global brands, advanced manufacturing technology, a growing base of sustainability-led products and a geographic spread that reduces dependence on any single market. Together, these strengths have carried the Company through successive industry cycles while it continually renews its product and customer mix.

OUTLOOK AND PRIORITIES FOR FY27

The spinning sector will continue to take its cues from cotton pricing, trade policy and global demand. Several structural currents, however, point firmly in Vardhman's favour. Industry consolidation is creating a more rational competitive field. China has reduced its spinning capacity from a peak of 112 million spindles to around 84 million and shows little intent to expand.

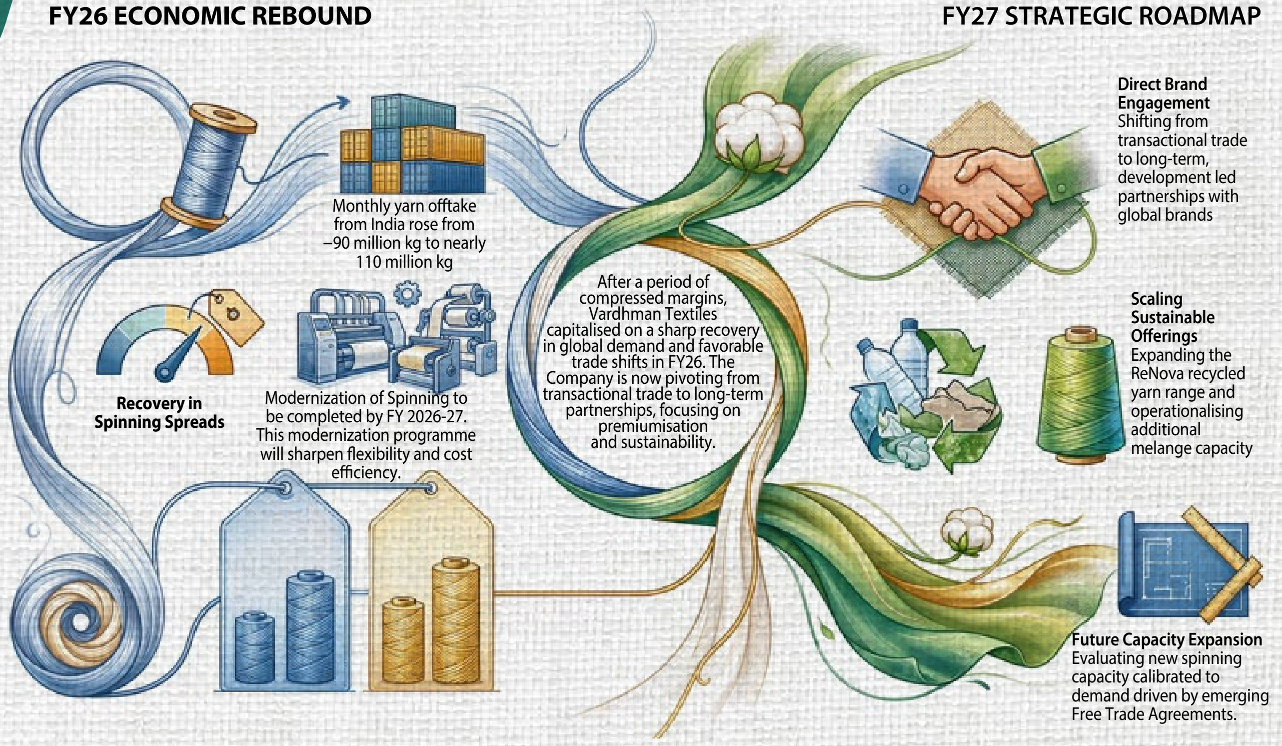
Global brands increasingly seek reliable, compliant and technologically capable partners. And sustainability requirements are accelerating demand for recycled, traceable and value-added yarn. As the world's second-largest spinning nation, India is well placed to absorb incremental demand — particularly as Free Trade Agreements with the U.S., UK and EU take shape.

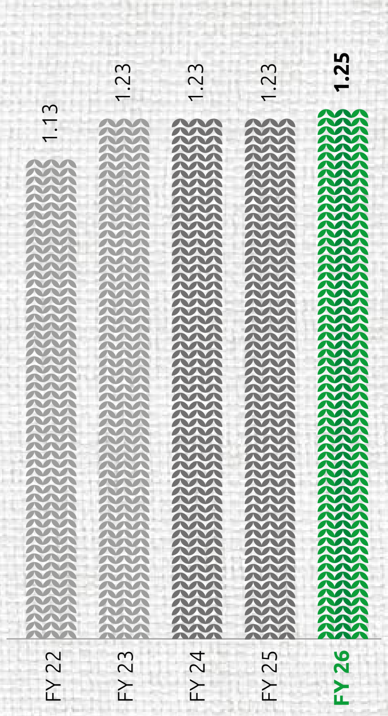
Against this backdrop, the Company's priorities for FY27 are clear:

- Deepen direct brand engagement, converting trade relationships into long-term, development-led partnerships.
- Enrich the product mix by expanding melange, recycled and functional categories and by scaling ReNova through additional recycling capacity.
- Complete and commission the remaining modernisation capex and new green-power capacity, with biomass-based systems delivering cost benefits throughout the year.
- Evaluate fresh spinning capacity, including the restarted open-end project and planning around the PM MITRA park in Madhya Pradesh.
- Strengthen cost competitiveness, supported by the Industry's continued advocacy for duty-free access to cotton at internationally competitive prices.

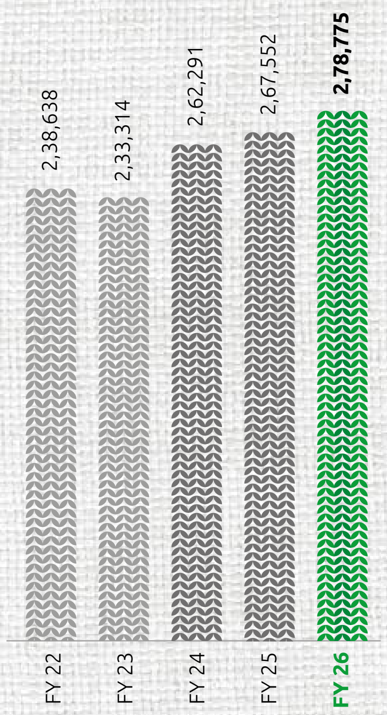
As capacity rationalisation continues and spreads, normalising at healthier levels, Vardhman believes its scale, integration, operational discipline and customer relationships position it to capture emerging opportunities and extend its leadership in the global yarn market.

VARDHMAN TEXTILES: STRATEGIC PIVOT & ECONOMIC RECOVERY

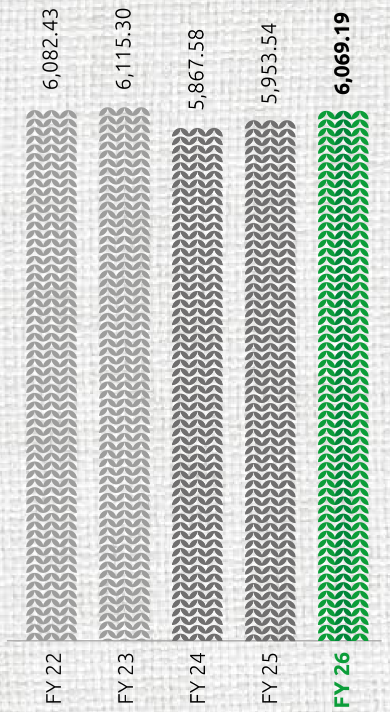




Spindle Count (MN)



Production (MT)



Revenue from Yarn Division (₹ in Crore)

FABRICS

THE DIFFERENTIATOR

1,550	**240** MM	₹**3,251** cr
Looms	Processing Capacity	Revenue in FY25

MOVING CLOSER TO THE CONSUMER

If spinning provides scale, fabric creates differentiation.

Over the years, Vardhman has developed its fabric business into a strategic growth platform — one that combines design capability, process innovation, finishing expertise and manufacturing rigour. Embedded within one of India's most deeply integrated textile ecosystems, the business converts fibre to yarn and yarn into high-quality woven fabrics for leading apparel brands and retailers across domestic and international markets. It accounts for close to a third of the Group's revenue.

The portfolio is deliberately diversified. It spans cotton, blended and performance fabrics across formalwear, casualwear and fashion applications. This breadth allows the Company to serve a wide range of customer specifications from a single, integrated base. Supported by advanced design, precision finishing and an intensifying focus on value addition, Vardhman continues to move purposefully up the textile value chain — toward products that command greater customer preference and deliver stronger margins.

BENEFITING FROM SHIFTING GLOBAL SOURCING TRENDS

Global sourcing is being redrawn. Brands and retailers are spreading their supply base away from single, concentrated geographies. They want partners who are large, trusted and compliant. India is a clear beneficiary, backed by a deep manufacturing base, a skilled workforce and improving trade ties.

Demand firmed through the year. Inventories normalised across several export markets and retail sentiment improved.

Sourcing decisions increasingly reward quality, reliability, sustainability and speed. These are Vardhman's strengths.

The business held healthy utilisation, helped by a diversified customer base and an integrated model. In-house yarn is a quiet advantage. It gives the Company tighter control over quality, lead times and product development than any standalone fabric maker can match.

PERFORMANCE IN FY26

FY26 was a year of building capacity and capability. Two major fabric projects reached commercial production. A new processing line at Budhni, Madhya Pradesh, added around 31 million metres of annual capacity. The Company's first dedicated performance fabric facility, producing synthetic woven cloth, came on stream with an annual capacity of about 18 million metres.

These additions lifted processed fabric capacity to 240 million metres a year, supported by a weaving base of 1,550 looms.

Demand remained stable and utilisation remained satisfactory. Margins felt the lag between raw-material costs and fabric pricing, which typically runs from about two to three months. The Company managed this through selective, negotiated price increases. Integration absorbed the rest. With headroom still available in the newly commissioned lines, the near-term focus is on raising utilisation before committing to the next phase of expansion.

STRATEGIC PRIORITIES DURING THE YEAR

Vardhman invested through the cycle, not around it. The largest thrust was the expansion of fabric processing capacity. This supports rising demand for value-added products and adds operating flexibility. Alongside, the Company widened its range of specialised finishes, engineered constructions and differentiated fabrics.

The most significant strategic step was the entry into synthetic and filament-based fabrics. Long known for its leadership in cotton, Vardhman is now expanding into fast-growing segments of man-made fibres. The new performance fabric facility anchors this move. It opens attractive demand pools across domestic and export markets and reduces dependence on any single fibre.

Design, customer collaboration and product innovation advanced in parallel. Each shortens the Company's response time to shifting fashion and consumption trends.

WHY WE ARE WELL POSITIONED

What sets Vardhman apart in fabric is the combination beneath the scale. Deep integration, from fibre to finished cloth. Advanced weaving, processing and finishing technology. Long-standing relationships with leading global brands. A diverse portfolio across many end-uses, strong quality and compliance credentials and the rare ability to pair scale with customisation. A growing footprint in value-added and specialised fabric ties it together. These strengths enable the business to benefit from both cyclical recovery and long-term structural shifts.

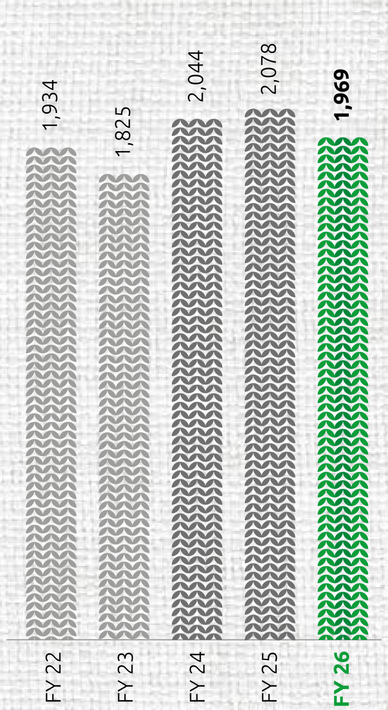
OUTLOOK AND PRIORITIES FOR FY27

The long-term outlook is encouraging. India's rise as a preferred sourcing destination is a durable tailwind. So is the growing customer pull toward integrated, compliant suppliers. Trade agreements add to the case. The India–UK Free Trade Agreement, in particular, can sharpen the competitiveness of Indian fabric and apparel in a major market.

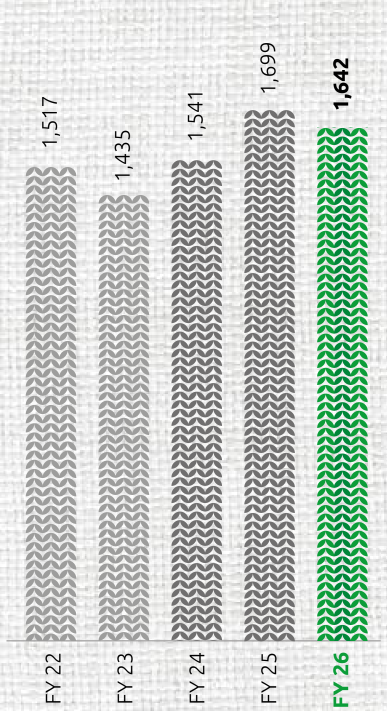
The Company's priorities for FY27 are clear:

- Raise utilisation across the newly commissioned processing and performance fabric lines.
- Scale the synthetic and filament-based portfolio, building on the performance fabric platform.
- Deepen value addition through specialised finishes and engineered constructions.
- Strengthen design and customer collaboration, converting sourcing shifts into long-term partnerships.
- Protect margins through disciplined cost pass-through as cotton and fibre prices move.

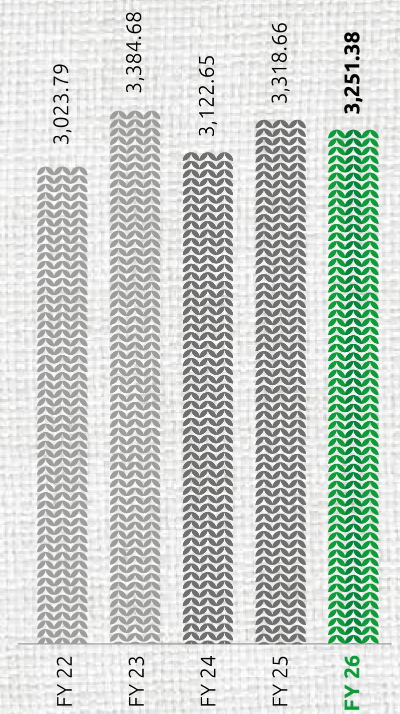
As customer needs evolve, Vardhman stays focused on a future-ready fabric platform — one that pairs innovation, flexibility and operational excellence and drives value creation in the years ahead.



Grey Fabric (Lac Mtr)



Processed Fabric (Lac Mtr)



Revenue from Fabric Division (₹ in Crore)

GARMENTS

THE FINISHING TOUCH

2.2
Million Shirts p.a.
Manufacturing Capacity

2.17 Million
Shirts Produced in FY26

₹142 cr
Revenue in FY26

COMPLETING THE VALUE CHAIN

The garment business represents the final expression of Vardhman's integrated textile philosophy.

Yarn and fabric provide scale and manufacturing depth. Garments bring the Company closest to the end consumer — translating decades of textile expertise into finished products that meet global quality standards and reflect evolving fashion preferences.

The division specialises in premium shirts and serves leading domestic and international apparel brands. It is supported by advanced manufacturing systems, rigorous quality protocols and strong compliance practices. Over a relatively short period, it has built a reputation for reliability, consistency and execution discipline.

Its strategic value, however, extends beyond the product. The garment business strengthens customer relationships by enabling the Company to offer integrated solutions that span fabric development, product design and finished-garment manufacturing — a proposition few competitors can credibly assemble.

STRENGTHENING CUSTOMER PARTNERSHIPS

The global apparel supply chain is consolidating around fewer, more capable partners.

Brands no longer seek suppliers. They seek collaborators who can deliver quality, transparency, flexibility and speed from a single, accountable platform. Vardhman's integrated model is precisely this. It allows coordinated execution across the value chain and a responsiveness to customer requirements that fragmented supply chains cannot match.

During the year, the division deepened relationships with existing customers and expanded engagement with new brand partners. Disciplined execution, a strong quality culture and the ability to leverage in-house fabric ensured close alignment between product development and manufacturing — shortening cycles and improving first-time-right rates.

PERFORMANCE IN FY26

The garment business delivered a year of stable operational performance and a decisive commitment to capacity.

The existing facility operated well through the period. Demand conditions improved as the year progressed. The removal of U.S. tariffs restored India's competitiveness in apparel, lifting garment exporters from depressed utilisation levels back toward full capacity. This structural improvement in the external environment validated the Company's conviction in the downstream opportunity.

The most significant development is the decision to expand the existing capacity from 2.2 million shirts per annum to 4.5 million shirts per annum. This will double the production base and will help in scaling up the garment business of the Company.

The immediate focus is on executing this expansion with precision and demonstrating that the enlarged capacity can deliver sustained profitability before any further scale-up is considered.

STRATEGIC PRIORITIES DURING THE YEAR

The Company's approach to garments has been measured and deliberate — prove capability at one level before committing to the next.

During the year, that approach yielded concrete results. Manufacturing productivity improved. Quality and compliance standards were further strengthened. Product-development capabilities were enhanced to support more complex, value-added styles. Customer engagement broadened to include a wider set of premium domestic and global brands.

WHY WE ARE WELL POSITIONED

The garment division's competitive advantage is rooted in what sits behind it.

Backward integration into fabric and yarn gives the Company a degree of control over quality, cost, lead time and product development that standalone garment manufacturers cannot replicate. Advanced manufacturing infrastructure, proven execution discipline and long-standing customer relationships provide the operational credibility. High standards of compliance and sustainability meet the non-negotiable requirements of global brands. And the ability to offer an integrated textile solution — from fibre to finished garment — creates a differentiated platform that is increasingly valued in a consolidating industry.

OUTLOOK AND PRIORITIES FOR FY27

India has a 4.6% share of the global trade in textiles and apparel. In FY25, the textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 8% to exports.

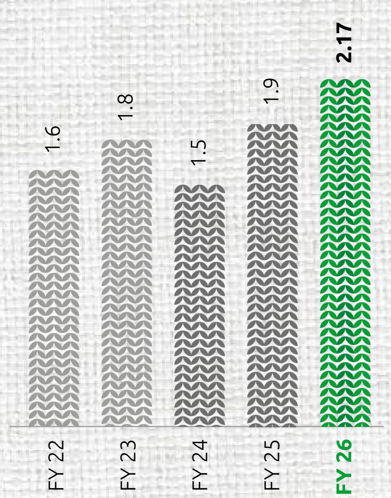
The structural opportunity in the garment industry is substantial and growing.

Global apparel consumption continues to rise. Premiumisation is accelerating. And India's positioning as a credible, large-scale garment-manufacturing destination has strengthened materially over the past year. As brands consolidate their supplier bases around quality, compliance and reliability, Vardhman's integrated model becomes an increasingly strong competitive asset.

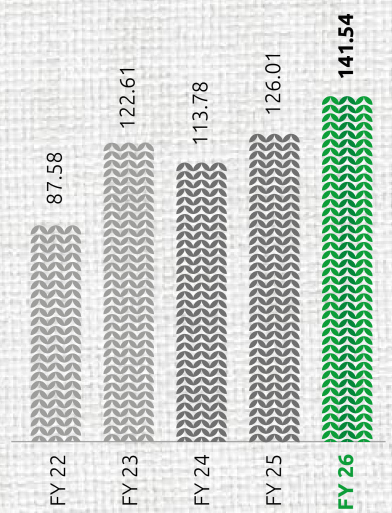
The Company's priorities for FY27 are defined by the capacity transition now underway:

- Execute the expansion from 2.2 million to 4.5 million shirts per annum on time and within budget.
- Demonstrate profitability at scale, establishing the enlarged capacity as a self-sustaining, margin-accretive platform.
- Broaden the customer base and deepen relationships with premium brands that value integration and development capabilities.
- Increase the share of value-added products, moving toward more complex constructions and differentiated styles.
- Evaluate the next phase of growth once the current expansion achieves its operating and financial benchmarks.

The garment business is the youngest of Vardhman's verticals. It is also the one closest to the consumer, with the highest potential for value capture per unit of output. This expansion will strengthen our ability to attract high-value buyers, secure new order volumes and build long-term relationships with premium international brands.



Production (Million Shirts)



Revenue from Garment Division (₹ in crore)

OUR STRATEGIC APPROACH

The textile industry is entering a phase of structural realignment. Inefficient capacity exits. Global brands are consolidating their supply bases around fewer, larger and more compliant partners. Sourcing is shifting toward India. Free Trade Agreements with the United Kingdom and European Union are set to widen access to the world's most demanding markets.

These shifts favour scale, integration and reliability. They favour us.

We approach this opportunity with a demonstrated financial strength recognised in a reaffirmed CRISIL AA+/Stable rating and a conservative debt-to-equity ratio of around 0.2 times, establishing the financial foundation on which our current strategy is built.

That strategy is one of disciplined expansion. It rests on a capital investment programme that we have progressively scaled up to around ₹3,660 crore today — spread across spinning, weaving, technical textiles, fabric processing, garments and green power.

The intent is deliberate: to deepen integration, enter higher-value categories, raise the share of value-added output and reduce the environmental footprint of every stage of production. We are not chasing volume for its own sake. We are building a more resilient and more differentiated enterprise — positioned to lead as the cycle turns.

PRIORITIES FOR THE ORGANISATION

At the organisational level, five priorities define our path ahead.

Complete the investment cycle. Our focus always is towards timely commission of the capex programme and convert investment into output and output into returns. A meaningful share of our recent capital expenditure has been directed toward environmental and social improvement, reflecting a strategy in which growth and responsibility advance together.

Move up the value chain. We will increase the contribution of premium and specialised products across every vertical, including through our entry into technical textiles. This new, higher-margin growth sector extends our platform beyond apparel into engineered applications.

Lead on sustainability. We are pursuing a clearly defined, board-governed environmental roadmap: a 42% reduction in Scope 1 and 2 emissions by 2030, Net Zero by 2045 and a Net Positive Impact on biodiversity by 2050. The transition to clean energy is central, advancing through large-scale solar deployment and the replacement of coal-fired boilers with biomass and paddy-straw systems. These are complemented by firm 2030 targets — a 30% reduction in freshwater consumption, halving of waste sent to landfill, 100% sustainable packaging and full ZDHC MRSL compliance. Responsible sourcing reinforces the agenda: around 33% of our primary raw material is already sourced sustainably, supported by a Better Cotton partnership spanning more than 14,000 farmers.

Invest in our people. We have a workforce of above 24,000, a board on which women hold 33.33% of seats and a culture built on safety and skill development. Our competitive edge ultimately rests on the capability and commitment of our people.

Preserve financial discipline and cost competitiveness. We will continue to fund growth through internal accruals and conservative leverage, so that resilience is never traded for ambition.

Underpinning all five is integration. Our presence across fibre, yarn, fabric and garment — serving customers in over 60 countries, with exports contributing more than two-fifths of our turnover — is our most durable advantage. Every strategic decision we take is intended to make that integration deeper, tighter and harder to replicate.

PRIORITIES FOR THE YARN BUSINESS

Yarn remains the foundation of our platform and our priority is to compete on value, not volume alone.

We will continue our shift from transactional trade to direct engagement with global brands, building a more stable, higher-margin customer mix. We will deepen premiumisation by expanding melange, compact, recycled and functional categories and by scaling sustainable offerings through ReNova, our first recycling facility in Baddi, with additional recycling capacity planned. The substantial modernisation of our spinning asset base, advanced through FY25 and FY26, will deliver full benefit, supported by the roughly 35,000 spindles we added during the year and open-end spinning project to be commissioned during FY 2027-28.

Fresh spinning capacity is under active evaluation, calibrated to the incremental demand we expect from free trade agreements. As industry consolidation continues and spreads to normalise at healthier levels, we intend to capture an increased market share.

PRIORITIES FOR THE FABRIC BUSINESS

Fabric is our value-creation engine and our near-term focus is to extract full returns from recent investments before committing to the next phase.

Our immediate priority is utilisation — ramping the newly commissioned Budhni processing line to optimal levels. Alongside, we will scale our entry into synthetic and filament-based fabrics, building on our new performance fabric platform to participate in fast-growing man-made-fibre segments and reduce our dependence on any single fibre. We will intensify value addition through specialised finishes, engineered constructions and closer product development with key customers.

We will deepen design capability and brand engagement in parallel, converting structural sourcing shifts — and the India–UK Free Trade Agreement in particular — into long-term, development-led partnerships. Our objective is a future-ready fabric platform that pairs scale with differentiation.

PRIORITIES FOR THE GARMENT BUSINESS

Garments bring us closest to the consumer and offer the highest potential for value capture. Here, our strategy is to build scale with discipline.

Our defining priority is the execution of the approved capacity expansion — from 2.2 million to 4.5 million shirts per annum — targeted for completion by the end of FY 2026-27.

We endeavour to commission this capacity on schedule, thereafter focussing that the enhanced capacity can deliver sustained profitability before we consider any further scale-up. In parallel, we will broaden our premium customer relationships, raise the share of value-added styles and leverage our in-house fabric to maintain a quality, cost and lead-time advantage that standalone garment manufacturers cannot match.

Garments are the youngest of our verticals. With the Group's integration behind it and a clear, staged investment plan ahead, the business is positioned to grow further in the future.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

FY 2025-26 ESG RATINGS

Our sustainability journey continued to gain momentum during FY 2025-26, supported by focused initiatives across **environmental** stewardship, **social** responsibility and **governance** excellence.

S&P Global Ratings

75

ESG Score

18.62

(Low Risk)

ESG Risk Rating

SUSTAINALYTICS

a Morningstar company

Demonstrating strong management of ESG risk and transparency.

CRISIL Ratings

53

ESG Score

Environmental Stewardship | Social Responsibility | Governance Excellence | Sustainable Future

Building a Better Tomorrow, Today.

ESG TARGET vs ACHIEVEMENTS | FY 2025-26

Vardhman

AREA	COMMITMENT / TARGET	TARGET ACHIEVEMENT	FY 2025-26 ACHIEVEMENT	TARGET YEAR
Emissions	• 42% reduction in GHG Emission (Scope 1 & 2) by 2030 • Net Zero by 2045		Achieved 14% reduction in Scope 1 + 2 vs. base year FY 23-24	2030 Net Zero 2045
Green Power	• 40% green power adoption by 2026		32% green power share in overall power mix during FY 2025-26 (85% green power from HPSEBL)	2026
Water	• 30% reduction in freshwater consumption by 2030		25% reduction in fresh water consumption till FY 25-26 vs. base year FY 23-24	2030
Hazardous Substances	• 100% ZDHC MRSL compliant by 2030		99% compliant with ZDHC Manufacturing Restricted Substances List (MRSL) requirements	2030
Packaging	• 100% sustainable packaging by 2030; • 20% reduction in virgin plastic by 2030		90% sustainably sourced packaging In process-Reduction in virgin plastic	2030
Gender Diversity	• 45% overall diversity by 2030; • 20% women in managerial position		35% workforce diversity; 9% women in managerial position	2030
Waste	• 50% reduction in waste to landfill by 2030		2% reduction	2030
Health & Safety	• 25% YoY LTIFR reduction; • Zero fatalities	LTIFR REDUCTION FATALITY STATUS	35% reduction in LTIFR vs. 24-25; 50% reduction vs. 23-24; 2 fatalities	2030
Biodiversity	• No Gross Deforestation 2045 • NPI 2050;	IN PROCESS	In process	2050 / 2045

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 Target, carbon neutrality and renewable energy integration.

Governance Structure

Level	Role
Board-Level ESG Committee	Strategic direction, ESG risk oversight, KPI monitoring and regulatory compliance
Chief Sustainability Officer (CSO)	Leads ESG strategy implementation, climate initiatives and sustainability disclosures
Core Sustainability Team	Executes sustainability programmes and supports CSO in day-to-day ESG management
Cross-Functional ESG Working Groups	Environment, Health & Safety, Energy Management, Procurement, Human Resources, Compliance & Legal

ESG Committee

Name	Role / Designation	Type
Mr. Suresh Kumar	Chairperson	Independent Director
Dr. Prem Kumar	Member	Independent Director
Mrs. Suchita Jain	Member	Vice-Chairperson & Managing Director
Mrs. Sagrika Vir	Member	Executive Director
Mr. Neeraj Jain	Member	Managing Director

Double Materiality Assessment

At Vardhman Textiles, we understand the significance of sustainable business practices for both financial success and societal health. To achieve this, we have incorporated a double materiality assessment into our sustainability strategy, which focuses on the impact of our operations on the environment and society, as well as the financial implications of ESG (Environmental, Social, Governance) factors on our business. This dual approach enables us to effectively tackle the most pressing ESG challenges while ensuring the long-term sustainability of our operations.

Our assessment methodology consists of defining the scope, consulting with internal and external stakeholders, and aligning with prominent frameworks such as GRI, SASB, and TCFD. The outcomes of this assessment provide a strategic roadmap for embedding sustainability into our core business practices, addressing key challenges, and fostering long-term value creation.

Double Materiality Assessment Methodology

Identification of Key Material Topics
Based upon industry peers benchmarking and with reference to standards and frameworks such as CSRD, GRI, BRR, SASB, DJSI and MSCI

Stakeholder Engagement
Engaged with identified stakeholders through workshops, surveys, and focus groups to gather their perspectives on the material topics

Finalization of Key Material Topics
20 Material Topics identified, also positive and negative impacts of each material topic on the organization and stakeholders is recorded

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 In fluence

Vardhman Textiles integrates material sustainability issues directly into its Enterprise Risk Management (ERM) framework to ensure ESG factors convey long-term strategic planning. Through the Risk Committee, we enhanced our ERM system to align with international standards, formalising the inclusion of ESG-related risks within our risk register. This integration ensures that climate, social, and governance controls are monitored with the same rigour as financial risks, strengthening our control environment and information flow.

GreenWeave: Our 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.

"**GreenWeave**" is our flagship sustainability programme, designed to accelerate progress across environmental, social and governance dimensions while strengthening long-term value creation. As part of this initiative, we have partnered with the **Manufacturer Climate Action Program (MCAP) and committed to reducing our Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030.**

Key focus areas of GreenWeave include:

- Transitioning to cleaner and lower-carbon fuel alternatives
- Expanding renewable energy adoption across our manufacturing locations
- Advancing water stewardship and reducing freshwater consumption
- Enhancing circularity and resource recovery in our manufacturing processes
- Deepening stakeholder engagement and community development
- Strengthening our governance systems and ethical business practices

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

Climate-Related Risks at Vardhman Textiles

Climate-related risks are identified through our Double Materiality assessment, aligned with the CSRD and ESRS guidelines. According to the TCFD, these risks are categorised 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.

Physical Risks	Acute Risks	Event-driven risks such as increased frequency and severity of extreme weather events — floods, heatwaves, storms and wildfires — that may disrupt our operations, infrastructure and supply chains.
	Chronic Risks	Longer-term shifts in climate patterns, including changing rainfall, prolonged droughts, rising temperatures and gradual environmental changes that may affect business continuity.
Transition Risks	Policy & Regulatory	Risks associated with evolving climate regulations, carbon pricing mechanisms, disclosure requirements, emissions legislation and climate-related legal developments.
	Reputa-tional	Risks arising from changing stakeholder expectations, consumer perceptions and growing demand for sustainable business practices.
	Market	Revenue and market share impacts from changing customer demand towards environmentally responsible products and solutions.
	Technology	Risks from investments in low-carbon technologies, asset obsolescence and the pace of energy transition.

Climate Risk Management

At Vardhman Textiles, we have adopted a comprehensive strategy to evaluate and mitigate climate-related risks and opportunities. This strategy focuses on risks that carry substantial financial or strategic consequences. To ensure thorough identification, we consistently consult with all relevant stakeholders and leaders across our business divisions.

- We conduct facility-level climate risk assessments across our operations in accordance with ISO 14001 and prioritise significant risks through cross-functional collaboration.
- We monitor regulatory changes at all levels, assessing their impact on our operations and strategic goals.
- We have embedded board-level climate governance and a comprehensive strategy for assessing and managing climate-related risks, prioritising those with significant financial or strategic impacts.

We categorise assessed risks and opportunities across three planning horizons: Short-term (0-3 years), Medium-term (3-6 years) and Long-term (beyond 6 years). This structured approach enables informed decision-making and supports long-term resilience in a rapidly evolving climate landscape.

Sustainable Organisation of the Year 2026 Award

We are honoured to receive the "**Sustainable Organisation of the Year 2026**" award at the 3rd Net Zero Summit 2026, recently held in Mumbai and organised by UBS Forums. This recognition reflects the collective commitment of our teams and motivates us to keep setting new milestones in our journey towards climate resilience and responsible manufacturing. We showcased our integrated approach to sustainability, highlighting renewable energy adoption, efficient water management systems, sustainable raw material sourcing and the ReNova recycled yarn initiative.

Driving Sustainability Through Continuous Learning

At Vardhman, we believe that meaningful awareness at all levels is the first step towards action. That is why we are committed to continuously enhancing our team's understanding of sustainability, ESG and climate action. We regularly share sustainability bulletins covering global trends, regulatory developments, climate-related updates, internal initiatives and best practices. These quick, focused updates empower our teams to make informed decisions and play an active role in building a greener, more responsible future together.

Training Initiative: Plastic Waste Management & Sustainable Alternatives

 # Beat the Plastic Pollution

As part of our commitment to environmental sustainability, we conducted structured training and awareness programmes on plastic waste management across our operations. These initiatives focused on educating employees on the adverse environmental impacts of single-use plastics and promoting responsible consumption practices. Employees were sensitised to their role in reducing the plastic footprint both at the workplace and in daily life.

To reinforce learning through action, a behavioural change campaign was undertaken on World Environment Day, wherein ceramic mugs were distributed to employees. This initiative aimed to discourage the use of disposable plastic cups and encourage long-term adoption of reusable, eco-friendly alternatives.

Employee Awareness on ESG, Climate change impacts, and Aligning Individual actions with Vardhman Sustainability Goals

This initiative aims to build employee awareness on ESG, climate change, and carbon emissions (Scope 1, 2, and 3), while linking daily actions with Vardhman's sustainability goals. It helps employees understand how their work and habits impact the Company's carbon footprint.

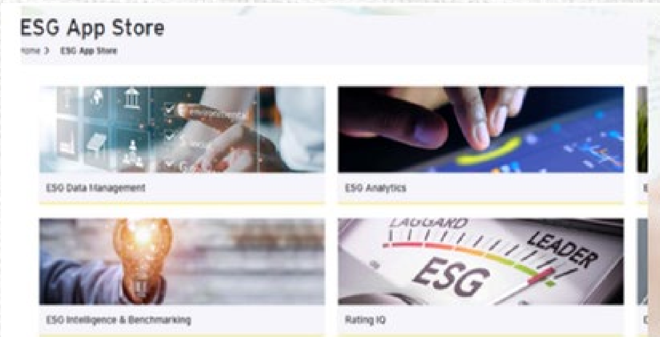
For Scope 1, employees focus on reducing fuel. For Scope 2 (Indirect Emissions from Purchased Energy), actions include reducing electricity consumption by switching off equipment when not in use. For Scope 3 (Value Chain Emissions), employees can contribute by minimising waste, reducing business travel, promoting sustainable sourcing and adopting digital processes to reduce paper use.

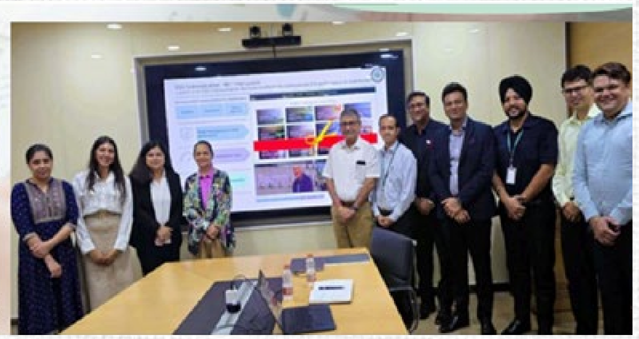
By linking these actions with key organisational targets—such as emission reduction, water conservation, waste minimisation, and responsible sourcing—the initiative ensures employees clearly understand their role in driving sustainability.

Digital Transformation- ESG

Introducing ESG Compass

The ESG Compass Tool was successfully launched this year to strengthen ESG data management and reporting across the organisation. The tool enhances data collection processes, enables real-time tracking of key sustainability metrics, and offers customisable dashboards for improved decision-making. It also integrates carbon footprint calculation capabilities and supports intelligent, efficient reporting across multiple ESG frameworks. As a result, it has improved data accuracy and transparency, reduced manual effort and reliance on follow-ups, enabled faster, more informed decision-making for management, and strengthened the organisation's overall ESG reporting readiness and compliance.



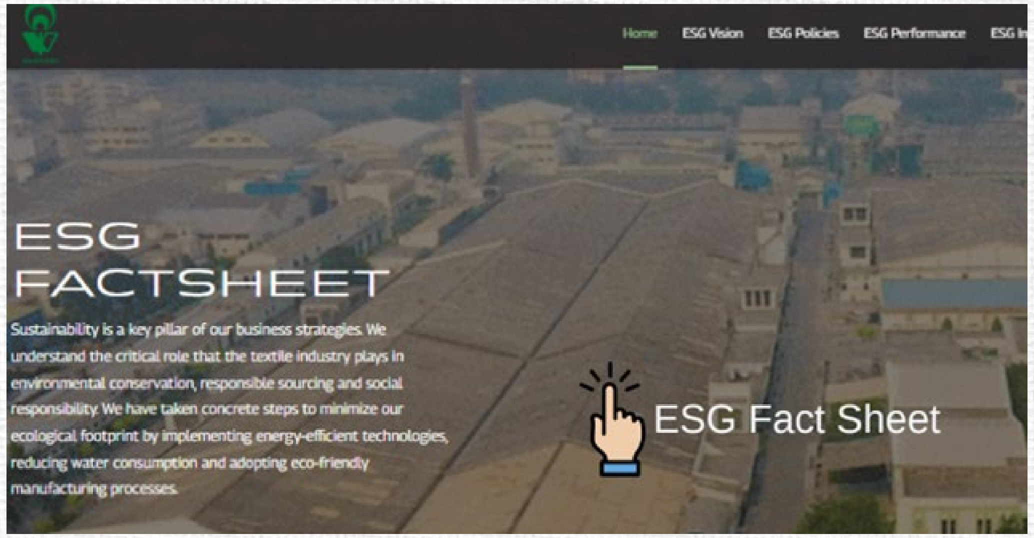


ESG -FACTSHEET

Launch of our ESG Factsheet

One click takes you to our ESG initiatives, policies, and scores

https://www.vardhman.com/



ENVIRONMENT

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 the transition to more sustainable energy practices.

Renewable Energy Expansion

Rooftop Solar

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 and Biomass projects.

The Company has installed Solar projects - Ground & Rooftop of around 70 MWp in its Units to convert conventional power to Green energy under the Sustainability Aspect – 'Avoidance of the depletion of Natural Resources to maintain an 'Ecological Balance.'

Further, the Company has already taken steps to set-up various projects under its renewable energy initiatives. On the completion of these projects, total green power of the Company will be 89.15 MW. These projects will be implemented in phases and are expected to be fully commissioned by FY 2027-28. Post commissioning of these projects, the Company would be able to achieve green power of more than 60% of its average demand.

Biomass-Based Boilers

In line with our commitment to green energy, we are replacing coal-fired boilers with biomass-powered alternatives. At our Madhya Pradesh unit, three 80 TPH biomass boilers are being installed. At our Baddi facility in Himachal Pradesh, we are moving forward with the installation of a 105 TPH biomass boiler for paddy straw combustion, integrated with a turbine. Both projects are progressing on schedule and are expected to be commissioned within FY 2026-27.

These initiatives utilise locally sourced agricultural residues such as rice husk and paddy straw, reducing our reliance on fossil fuels. The transition not only lowers greenhouse gas emissions but also promotes sustainable rural development by supporting the local agri-waste economy. Upon commissioning, these systems will deliver meaningful reductions in our steam costs, power costs and carbon footprint.

Biogas Plants

At our two locations — Vardhman Fabrics, Budhni and Auro Textiles, Baddi — biogas plants have been installed with a combined capacity of 120 kg per day. These plants produce biogas in-house from organic waste streams, which is used for cooking at our facilities. This initiative supports waste valorisation and reduces our reliance on conventional fuels.

Climate Commitments

Under the Manufacturer Climate Action Program (MCAP), we have set ambitious science-aligned climate targets:

- 42% reduction in Scope 1 and Scope 2 emissions by 2030, aligned with the Science Aligned Target (SAT)
- Net Zero emissions by 2045

These targets reflect our determination to contribute meaningfully to global climate action while building a more sustainable and future-ready business.

Reducing Scope 3 Emissions through Sustainable Transportation and Logistics

Vardhman has also taken steps to reduce **Scope 3 emissions from downstream transportation by partnering with DHL under its GoGreen Plus (GGP) programme**. Through this initiative, DHL uses **Sustainable Aviation Fuel (SAF)** for air freight operations, reducing greenhouse gas emissions associated with product transportation. Vardhman's engagement in this programme supports lower-carbon logistics and contributes to the mitigation of Scope 3 emissions.

Transition to Electric Mobility to Mitigate Scope 3 Emissions

To reduce Scope 3 emissions, particularly under Category 3, 6 & 7 Fuel and Energy-Related Activities, Business Travel & Employee commute, by integrating electric vehicles (EVs) into its passenger fleet and prioritising EVs for all new passenger vehicle procurements across the group, this transition reduces emissions associated with business travel. Additionally, the Company encourages low-carbon commuting by facilitating employee loan schemes for electric two-wheelers, extending emission reduction efforts beyond direct operations. These initiatives support Vardhman's broader decarbonisation strategy and commitment to sustainable mobility.

Sustainable Raw Material Sourcing (Scope 3 – Category 1)

The Company promotes the use of BCI, organic, recycled cotton, and recycled polyester (rPET) to reduce upstream Scope 3 emissions. Preference is given to suppliers providing low-impact and traceable raw materials. **33.6% of our primary raw material inputs are sourced sustainably (consisting of cotton and fibres). This includes materials certified by BCI, Organic, GOTS, FSC and GRS.**

Water

To effectively manage water consumption and minimise environmental impact, we have established advanced Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) across our operations. We have implemented Zero Liquid Discharge (ZLD) systems, enabling complete recycling and reuse of treated water. These facilities are central to our commitment to responsible water stewardship. In **FY25-26, we have installed a 2,500 KLD ZLD system at our VSGM unit in Ludhiana, Punjab.**

Water Treatment Infrastructure	Number of Systems	Capacity
Effluent Treatment Plants (ETPs)	3	15500 KLD
Sewage Treatment Plants (STPs)	9	5195 KLD
Zero Liquid Discharge (ZLD) Systems	3	14500 KLD

VSGM ZLD PLANT

Advanced Water Recovery System Enhancement through 4th-Stage RO Installation – VFB (M.P.)

To strengthen water circularity at the VFB unit in Madhya Pradesh, a **760 KLD,4th-stage Reverse Osmosis (RO) system** was introduced in addition to the existing 3-stage RO setup. Additionally, a **1600 KLD RO system was added to the existing system**, enhancing capacity from **8,400 KLD to 10,000 KLD**, improving overall water recovery efficiency to ~97%, and increasing reuse of treated water. The initiative has significantly contributed in reducing freshwater dependency and Vardhman's commitment is to deploy advanced membrane technologies to drive sustainable water management and reduce freshwater consumption by 30% **by 2030.**

4th-Stage RO Installation – VFB

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 our operations. We have 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 reduce waste sent to landfill by 50% by 2030,** emphasising waste reduction and reuse.

Plastic: Positive

The Company successfully fulfilled its **Extended Producer Responsibility (EPR) obligations by recycling 496 MT of plastic waste and ensuring responsible end-of-life management of 745 MT of plastic materials.** With 100% recycling of plastic waste achieved, we continue to demonstrate our commitment to circular economy practices and environmental stewardship. Ensuring every kilogram of plastic we introduce is responsibly collected and recycled.

Brine Recovery System — Baddi

Successfully completed installation of an advanced dye bath wastewater treatment system integrating Ultrafiltration (UF), Nanofiltration (NF), Reverse Osmosis (RO), and selective Ion Exchange.

Measured Impact

- **100% salt recovery from dyeing wastewater streams**
- **6,000 MT/year of salt recovered and reused. Significant reduction in fresh salt procurement**
- **Substantial reduction in TDS load in final discharge**

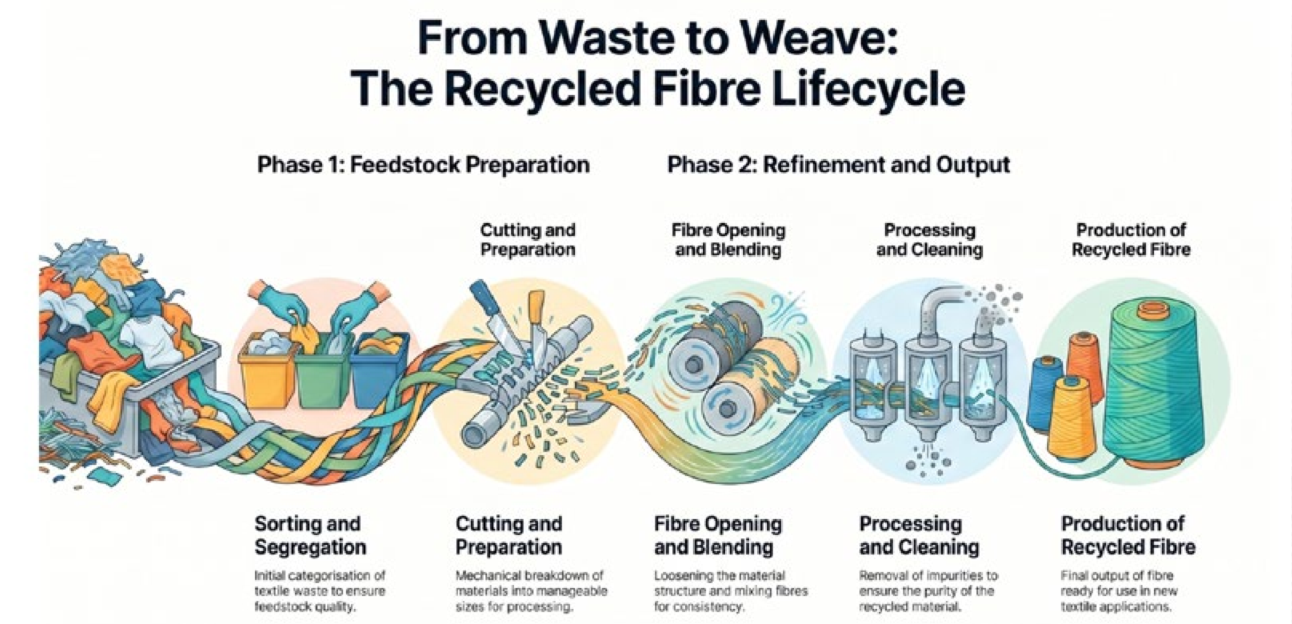
Textile Waste Recycling

ReNova Plant: Closing the Loop in Textile Manufacturing

ReNova exemplifies our vision for a closed-loop manufacturing system. With a processing capacity of **12 tonnes per day, ReNova transforms pre and post-consumer textile waste into high-quality reusable fibres that are reintegrated into our production** processes. This significantly reduces reliance on virgin raw materials, minimises waste generation and enhances overall resource efficiency. Expanded operations at enhanced capacity commenced in July 2025, further strengthening our circular manufacturing platform.

1810 MT

Recycled Fibre Produced from pre-consumer Textile waste in FY 2025-26



ReNova™ Recycle Cotton by Vardhman Textiles Limited has been recognised with the prestigious CII Design Excellence Award 2025 (Gold Winner) in the category of Design for Circularity — showcasing leadership in sustainability, innovation, and circular economy.

Fly Ash Diversion & Co-processing Initiative

VSGM, in collaboration with Vardhman Special Steels, has successfully initiated fly ash diversion through co-processing. **Following successful trial runs, 54 MT of fly ash was diverted during FY 2025–26.** This initiative reduces landfill dependency, minimises environmental impact, and aligns with our **long-term commitment to achieve Zero Fly Ash to Landfill by 2030.**

Biodiversity

At Vardhman, protecting biodiversity and preserving natural ecosystems are integral to our sustainability agenda. We recognise that long-term business resilience is closely linked to healthy ecosystems and responsible natural resource management.

Biodiversity Risk Assessment

We conduct biodiversity risk assessments across all our operational facilities and key upstream supply chain locations using the Integrated Biodiversity Assessment Tool (IBAT). This enables us to identify biodiversity-related dependencies, impacts, risks and opportunities, supporting informed decision-making and proactive conservation measures.

Targets & Commitments

We are committed to achieve a Net Positive Impact on biodiversity by 2050.

Vardhman's Approach to Biodiversity

Our biodiversity strategy follows a four-stage approach:

- **Understand and Prioritise:** Assess biodiversity impacts, dependencies and restoration opportunities across our operations and supply chains.
- **Develop Biodiversity Strategy:** Establish targets and action plans to address biodiversity-related risks and opportunities.
- **Transform the Business:** Integrate biodiversity considerations into our operations, sourcing practices and business processes.
- **Evaluate and Disclose:** Monitor performance, ensure accountability and drive continuous improvement through transparent disclosures.

Biodiversity Conservation Initiatives

Biodiversity Protection and No Deforestation Policy

Vardhman is committed to conserving biodiversity and sustainably managing natural resources. Our Biodiversity Protection and No Deforestation Policy establishes a framework that prioritises actions to avoid, minimise, and, wherever necessary, rehabilitate or restore biodiversity values impacted by our activities. The Environment, Social and Governance Committee of the Board governs this policy.

Policy Link : https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Biodiversity_Protection_and_No_Deforestation_Policy.pdf

Sustainable Sourcing

At Vardhman, our commitment to sustainability and ethical practices is reflected in our approach to sourcing. We strive to ensure that all materials — including cotton, man-made fibres and other natural fibres — are procured in alignment with responsible sourcing principles, sustainability standards and ethical guidelines.

Our sourcing philosophy is guided by globally recognised standards and certifications, including:

- Organic Content Standard (OCS)
- Global Recycled Standard (GRS)
- Better Cotton
- Fairtrade
- Forest Stewardship Council (FSC)
- OEKO-TEX®
- RegenAgri
- Cotton made in Africa (CmiA)

We also prioritise environmental safety in our manufacturing processes, with 99% of dyes and chemicals complying with the ZDHC MRSL standards, thereby reducing ecological impact and enhancing safety. Additionally, 90% of our 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.

~33.6%

Of raw materials were sustainably sourced in FY 2025-26

Supplier Code of Conduct

We have an inclusive Supplier Code of Conduct Policy applicable to all suppliers and business partners with whom we deal locally and internationally. This policy reinforces our commitment to ethical business practices, to monitor our supply chain for fairness and sustainability, to minimise environmental impact and to adhere to all applicable legal requirements.

Policy Link : https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Supplier_Code_of_Conduct_Policy.pdf

Sustainable Sourcing Policy

Our Sustainable Sourcing Policy ensures that all materials we procure align with responsible sourcing principles, sustainability standards and ethical procurement guidelines. One of our primary goals is to prioritise environmental sustainability not only within our manufacturing facilities but also across the entire supply chain.

Policy Link : https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Sustainable_Sourcing_Policy.pdf

Our Sustainable Raw Material Portfolio

Fibre Type	Sustainability Value
Organic Cotton	Produced without synthetic fertilisers or pesticides, supporting healthier ecosystems, improved soil quality and farming community livelihoods.
Better Cotton	Promotes improved farming practices, enhanced resource efficiency and stronger farmer livelihoods through the Better Cotton programme.
Regenerative Cotton	Uses regenerative agricultural techniques to restore ecosystems, improve soil health and increase biodiversity.
Recycled Cotton Fibre	Post-consumer and pre-consumer textile waste transformed into recycled fibre through our ReNova initiative, reducing landfill disposal and lowering dependence on virgin raw materials.
Fairtrade Cotton	Ensures farmers receive fair wages and benefit from improved social and economic opportunities.
Cotton made in Africa (CmiA)	Supports sustainable cotton cultivation and improved livelihoods across cotton-growing communities.
FSC-Certified Materials	Promotes responsible forest management and environmental conservation throughout fibre sourcing.
Recycled Polyester	Diverts plastic waste from landfills, reducing the need for petroleum-based raw materials and contributing to a circular economy.

Traceability and Transparency

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

Vardhman recognises that genuine sustainability extends beyond manufacturing and is closely tied to the welfare of farming communities that support the textile value chain. Through the Better Cotton Project, we work alongside farmers to promote sustainable agricultural practices, improve livelihoods, and build resilient farming communities. By providing training, technical assistance and awareness on responsible cotton cultivation, we help farmers enhance productivity while reducing environmental impact, thereby supporting a more sustainable and responsible cotton supply chain.

Better Cotton Initiative (BCI) Project

BCI Programme — FY 2025-26	
Number of Villages	144
Number of Farmers	14,107
Area (Hectares)	16,217

The Better Cotton Standard has evolved significantly over the years. Its current framework is built around six core principles: Management, Natural Resource Management, Crop Protection, Fibre Quality, Decent Work, and Sustainable Livelihoods. In addition, Gender Equality and Climate Change are recognised as cross-cutting priorities, ensuring that these critical themes are integrated and reflected across all principles of the standard.

Better Cotton Standard Interventions

Management

Farmer Producer Units were strengthened through capacity building, record keeping, farm management systems, and continuous improvement planning. Training programmes focused on improving farm-level decision-making, sustainability performance, and inclusive participation of women and vulnerable groups.

Natural Resource Management

Activities focused on improving soil health, water stewardship, biodiversity conservation, and regenerative agriculture. Soil and water testing, water budgeting, groundwater monitoring, and promotion of efficient irrigation practices enabled informed resource management. Farmers were trained on soil fertility enhancement through biofertilisers, Jivamrut, composting, biochar, crop residue management, and the 4Rs of nutrient stewardship. Biodiversity was promoted through intercropping, crop diversification, protection of riparian areas, and conservation of natural habitats.

A demo of biochar was given to farmers to help them understand how it increases soil carbon & Soil Fertility Management.

Crop Protection

Farmers were trained on agroecological approaches, Integrated Pest Management (IPM), and Integrated Resistance Management (IRM) to reduce dependency on chemical pesticides. Demonstrations on trap crops, pheromone traps, light traps, yellow sticky traps, and biopesticides encouraged ecological pest control. Special campaigns promoted the elimination of pesticide cocktails, Highly Hazardous Pesticides (HHPs), and banned pesticides while improving safe pesticide handling, application techniques, and residue management.

Promotion of Soil and water, biodiversity conservation and management practices & pheromone trap use.

Fibre Quality

Training programmes promoted good agricultural practices, harvesting, post-harvest handling, and storage to improve cotton fibre quality and reduce contamination. Cotton picking and storage bags were distributed to farmers to support clean picking, handling, and storage of seed cotton.

Decent Work

Awareness programmes addressed health and safety, minimum wages, child labour prevention, and inclusion of disadvantaged groups. Labour Monitoring and Remediation Systems (LMRS), Farmers' Clubs, Cooperatives, and Gender Committees were strengthened to support worker welfare and responsible labour practices. Training on workplace dignity, POSH, safeguarding policies, and the use of Personal Protective Equipment (PPE) further promoted safe and inclusive working conditions.

Sustainable Livelihoods

Women's Self-Help Groups (SHGs) and Joint Liability Groups (JLGs) were strengthened through leadership development, digital literacy, financial literacy, and institutional linkages. Women farmers participated in training on animal husbandry, dairy management, entrepreneurship, and livelihood diversification. Exposure visits and enterprise development initiatives enhanced income-generating opportunities, while poultry bird distribution supported additional household income and improved nutrition for marginal women farmers and workers.

Training Program for female members on Skill Development and Livelihood Opportunities (SHG Groups)

Climate Change

Climate risk surveys and vulnerability assessments were conducted to understand the impacts of climate change on farming communities, including gender-specific vulnerabilities. Farmers were trained on climate-smart agriculture, adaptation planning, and climate resilience using climate assessment toolkits. Mitigation efforts focused on water conservation, soil health improvement, efficient fertiliser use, crop diversification, biofertilisers, composting, and biochar to reduce greenhouse gas emissions and enhance farm resilience.

TREE PLANTATION = 3900 trees planted in Gujarat & Karnataka in multiple villages

Gender Inclusion

Gender inclusion was integrated across all programme activities to ensure equitable participation, access to resources, capacity building, and benefit sharing. Women's leadership was promoted through SHGs, JLGs, and Gender Committees, while targeted interventions enhanced women's participation in agriculture, climate resilience, enterprise development, and decision-making processes. Gender-disaggregated monitoring was used to track progress towards greater inclusion and empowerment.

Training Program for female members on Skill Development and Livelihood Opportunities (SHG Groups)

Environment, Health & Safety

EHS Policy

Vardhman Textiles Limited is fully committed to promoting and ensuring continual improvement in our Environmental, Health and Safety performance. We are focused on energy efficiency, water conservation and waste reduction. At the same time, we provide a safe and healthy workplace for all our employees—permanent and contractual—as well as 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.

Policy Link : https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/EHS_POLICY.pdf

ISO 14001:2015 Certification

Our manufacturing units are ISO 14001:2015-certified, helping us manage our environmental responsibilities and enhance our environmental performance. Our alignment and commitment to ISO 14001:2015 help us to:

- Demonstrate compliance with current and future statutory and regulatory requirements
- Increase employee engagement at all levels
- Improve the 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

Certification Link : https://www.vardhman.com/AboutUs/Certifications

Higg FEM and FSLM Certification

As a responsible corporate entity, we ensure that our plants and processes align with the highest standards of sustainable governance. Our plants are Higg FEM and FSLM certified—sustainability assessment tools used by facilities to measure and evaluate environmental and social performance. These tools help us understand our environmental impacts, assess social factors, evaluate worker welfare and treatment, identify areas for improvement and track progress over time.

Health & Safety

At Vardhman, safeguarding the health, safety and well-being of our workforce remains a fundamental priority. We are committed to fostering a workplace where safety is embedded into every process, every decision and every behaviour.

Our manufacturing facilities are certified under ISO 45001:2018 Occupational Health and Safety Management System, which helps organisations ensure a safe and healthy workplace. The Company has developed a comprehensive approach to identifying work-related hazards and assessing risks through the Hazard Identification and Risk Assessment (HIRA) process.

Sustainability Bulletins

Sustainability Bulletins play a vital role in promoting environmental awareness, communicating sustainability goals, encouraging responsible practices, and supporting continuous improvement toward a greener and more responsible workplace. We share various bulletins with our employees, such as Earth Day and World Ozone Day. Organisations use this tool to share updates, raise awareness, and promote actions related to environmental, social, and economic sustainability (ESG).

Innovative Training through Audio-Visual Aids

We have enhanced the effectiveness of our communication and training through audio-visual aids. We conduct training for visitors at the units using a Visitor Safety Animated Module that covers our process overview, safety systems, premises restrictions and emergency response procedures.

We have also integrated this module into the work profile for our employees and developed a dedicated animated module for contractors, standardising induction programmes and toolbox talk content across all locations. Key topics covered include:

- **Work Permit System**
- **Electrical Safety**
- **Fire Safety and Firefighting Procedures**
- **First Aid Practices**
- **Emergency Preparedness and Response**
- **Road Safety**
- **Chemical Handling and Safety**
- **Importance of Personal Protective Equipment (PPE)**

Human Capital Development

At Vardhman, our people remain the driving force behind our growth and long-term success. We are committed to building a workplace that promotes continuous learning, professional development and employee well-being. This commitment has been especially meaningful during a period of significant industry-wide stress — according to industry estimates, more than 10 million spindles have permanently ceased operations across India over the past two years. Throughout this period, Vardhman's sustained investment in people, modernisation and capability development has protected employment, maintained full operational capacity and reinforced our standing as a stable, responsible employer.

External Safety Program

The organisation conducted the External Home Safety & PPE Awareness Training Program in collaboration with expert safety training agencies to enhance employees' awareness of hazards beyond the workplace and promote a culture of total safety. The IOCL Home Safety Training Program was conducted in the presence of its Director. The objective of this training was to identify and control common household hazards, such as fire, electrical accidents and domestic injuries & build emergency preparedness.

PPE Awareness training safety initiative was conducted to educate employees on the correct selection, use, maintenance, and limitations of PPE to ensure their protection against workplace hazards. The objective of this training was to understand when and why PPE is required, train employees in the correct use, handling, and maintenance of PPE, minimise workplace injuries and health risks, ensure compliance with statutory safety regulations and standards, and promote a strong safety culture and behavioural compliance.

Recognition for Occupational Safety Leadership

During the year, the Company was honoured with the Corporate Award for Excellence in Occupational Safety and Health Practices for its exemplary efforts in advancing a Zero Harm Interdependent Safety Culture. This recognition underscores our unwavering focus on strengthening workplace safety through employee participation, leadership commitment, behavioural interventions and continuous improvement.

Internal Auditor Development Programme

To further strengthen the effectiveness of the management system, we conducted a specialised Internal Auditor Development Programme covering the ISO 14001:2015 Environmental Management System and the ISO 45001:2018 Occupational Health and Safety Management System. The programme enhanced participants' competencies in environmental and safety auditing, risk assessment methodologies, process evaluation and compliance monitoring.

ISO 45001: 2018 certified

Our manufacturing units are ISO 45001: 2018 (Occupational Health & Safety Management System) certified, demonstrating our commitment to health and safety.

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

Safety Month Celebrations

As part of Safety Month celebrations, a series of engagement and awareness programmes were organised across locations, reinforcing that workplace safety is everyone's responsibility. The activities included a mock drill, badge pinning, oath-taking and signing, which encouraged active employee participation and promoted greater awareness of safe work practices, risk prevention and personal accountability.

Promoting a Safe and Healthy Workplace

To support the physical health and overall wellness of our employees, we conducted several health-focused initiatives during the year:

- General health check-ups
- Eye examination camps
- Women's Health & Wellness across their Lifespan
- Good Dietary & Nutrition sessions
- Prevention on Kidney Stone
- Blood pressure, sugar and BMI screening programmes
- Blood Donation Camp

Employee Engagement

Engagement initiatives include celebrating key national and international days such as health, environment, nutrition and mental wellbeing days, observed through awareness sessions, expert talks and interactive activities. A strong emphasis is placed on health and wellness, with initiatives such as yoga sessions, fitness activities, medical camps, and sessions conducted by doctors and dietitians. In parallel, team-building and recreational activities such as cricket leagues and indoor games are organised to enhance collaboration and workplace morale.

Gratitude Week

As part of our Employee Engagement initiatives, Gratitude Week was conducted to strengthen a culture of appreciation, inclusion, and positive workplace relationships. The initiative encouraged employees to consciously recognise and acknowledge the contributions of their peers, fostering a sense of belonging and mutual respect across teams.

Through thoughtfully designed appreciation cards facilitated by the Corporate HR Department, employees were enabled to express gratitude to colleagues who demonstrated support, collaboration, and encouragement in their day-to-day work. This initiative reinforced the importance of recognition as a key driver of engagement, morale, and a healthy organisational culture.

Women's Day Celebration

In observance of International Women's Day, a wellness and awareness session titled "Nourish to Flourish: A Woman's Guide to Health & Balance" was organised for women employees. The session, led by Dr Neelam Sodhi, MD (Obstetrics & Gynaecology), focused on promoting women's health, well-being, and work-life harmony through practical insights on nutrition, preventive healthcare, and holistic self-care.

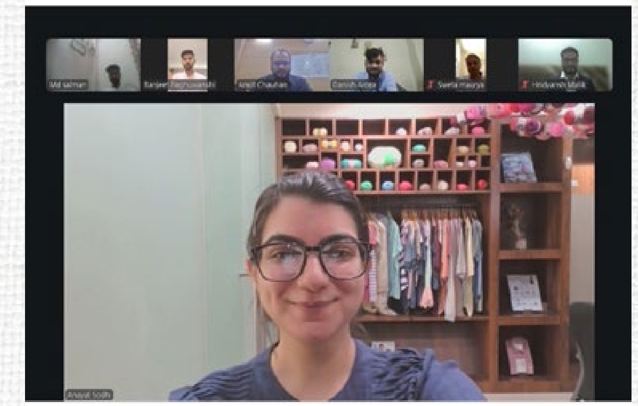
An interactive question-and-answer segment provided a safe platform for participants to seek guidance and address health-related concerns openly. The initiative reinforced the organisation's commitment to fostering an inclusive workplace that prioritises employee well-being, health awareness, and the empowerment of women through knowledge and access to expert guidance.

Post Selection Engagement Program for Scheme Recruits

In line with the Company's commitment to responsible business practices and sustainable human capital development, a Post Selection Engagement Program has been introduced for candidates selected through campus recruitment. This initiative focuses on engaging with prospective employees before their formal onboarding, enabling early familiarisation with the Company's values, policies, and operational environment.

The program includes structured interactions and awareness sessions covering critical areas such as industry practices, workplace ethics, safety standards, and organisational culture. Special emphasis is placed on instilling a strong safety mindset, reinforcing ethical conduct, and promoting awareness of environmental, social, and governance (ESG) principles.

By proactively engaging with future employees, the Company aims to enhance their preparedness, ease the transition from academia to industry, and foster alignment with its sustainability goals and responsible conduct framework. This initiative contributes to building a skilled, informed, and safety-conscious workforce, thereby supporting long-term organisational resilience and stakeholder value creation.



Incorporation of Creativity Assessment in Talent Selection

As part of its continued focus on strengthening responsible hiring practices and fostering innovation, the Company has introduced Creativity Assessment as a component of the selection process for specialised roles, including M. Tech and Design students. This initiative aims to evaluate candidates beyond conventional academic and technical parameters by assessing their creative thinking, problem-solving ability, and innovation mindset.

The assessment is designed to identify individuals who can contribute to a culture of continuous improvement, design excellence, and process innovation. By integrating creativity-focused evaluation, the Company seeks to build a future-ready talent pool equipped to address evolving industry challenges.

Expected Outcomes

- Identification of candidates with strong creative and analytical thinking capabilities
- Enhanced quality of hiring through a more holistic evaluation approach

- Development of an innovation-driven workforce aligned with business and sustainability goals
- Improved problem-solving approach and adaptability among new hires
- Strengthening of organisational culture focused on creativity, continuous improvement, and value creation

This initiative reinforces the Company's commitment to merit-based, inclusive, and holistic talent acquisition practices, aligned with its broader objective of nurturing innovation-driven growth and long-term stakeholder value.

Train the Trainer Program

Transforming passionate employees into certified facilitators of learning with the "Train the Trainer" Program, Catalyst – Empowering to Empower others in partnership with Dale Carnegie.

Train the Trainer (TTT) is a structured learning and certification initiative designed to develop a strong pool of internal trainers and facilitators within the organisation. The program equips participants with essential training, facilitation, and communication skills required to deliver engaging, learner-centric, and impactful learning interventions. Through a blend of practical exercises, feedback, and hands-on learning experiences, participants gain the confidence to effectively lead training sessions and create meaningful learning experiences for others.

The program focuses on strengthening key managerial and facilitation capabilities such as communication skills, team management, goal setting, delegation, accountability, performance management, time management and future planning. By building internal training expertise, TTT enhances organisational learning capability, promotes knowledge sharing, and creates a sustainable learning ecosystem. The initiative plays a critical role in developing future-ready leaders who can drive capability building and support the organisation's long-term growth and development objectives.

The Saturday Spark

An interactive online series where expert speakers lead sessions on relevant topics, drive meaningful engagement, and deliver practical learning benefits for participants. Saturday Spark Sessions are monthly online live learning engagements designed to inspire, motivate, and enrich employees beyond their regular work routines.

Led by expert speakers and trainers, these sessions bring practical life insights, wellness perspectives, financial awareness, personal growth learnings, and thought-provoking discussions that support holistic development. Through diverse and engaging topics, the initiative aims to foster continuous learning, broaden perspectives, and encourage employees to invest in their personal and professional growth.

The sessions focus on creating meaningful learning experiences that go beyond job-related skills, helping participants gain fresh ideas, improve well-being, build financial literacy, and develop a growth-oriented mindset. By consistently offering opportunities to learn from experts and real-life experiences, Saturday Spark Sessions contribute to a stronger culture of curiosity, self-development, and lifelong learning.

	Name of Session	Delivered Month	Name of the Person who Delivered the session	No. of Persons Attended	Designation of the Person
1	From Vision to Victory	Jan'26	**Mr. RK Singh**	200	SVP & Unit HR/IR Head
2	The Financial Literacy : Decoding your Money	Feb'26	**Mr. Munish Dwivedi**	190	DY Vice President, SBIMF
3	The Psychology of Effective Goal Setting	Mar'26	**Mr. Umesh Prakash Girnakar**	170	Manager & Industrial Psychologist, Vardhman Yarns
4	NutriLife : where Nutrition creates Health	Apr'26	**Dt. Gauri Soni**	130	Head Dietician, Fortis Hospital

SEEKH (Short, Easy & Effective Knowledge Hub)

An online Learning platform, curated for easy access to Learning modules on SF LMS, built to seamlessly integrate learning into day to day professional lives, offering participants quick, selfpaced modules that make knowledge easy to access, apply, and retain within daily work rhythms. SEEKH (Short, Easy & Effective Knowledge Hub) is Vardhman's digital learning initiative designed to make learning simple, accessible, and impactful. Through short, self-paced, bite-sized modules, SEEKH enables employees to learn anytime and anywhere, seamlessly integrating development into their daily work routines. The platform focuses on practical, application-oriented learning experiences that help employees build knowledge, enhance skills, and drive personal and professional growth.

The platform currently offers modules on topics such as Psychological Wellbeing, Effective Communication, and Negotiation & Influence, while future learning pathways will cover areas including Self-Awareness, Emotional Wellbeing, Productivity, Problem-Solving, Workplace Ethics, Financial Literacy, Accountability, and Team Collaboration. Designed with interactive quizzes, real-world examples, and learner-friendly digital content, SEEKH promotes continuous learning, measurable development, and self-driven growth. By empowering employees with relevant knowledge and accessible learning opportunities, SEEKH contributes to building a future-ready workforce and a stronger learning culture across the organisation.

SAKSHAM (First Time Officer)

SAKSHAM – First Time Officer (FTO) is a focused development program designed to support employees transitioning from Staff to Officer roles. The program helps participants adapt to the increased responsibilities, accountability, and leadership expectations associated with their new positions. By strengthening behavioural competencies and professional effectiveness, SAKSHAM enables new officers to build confidence, enhance decision-making capabilities, and contribute more effectively to organisational goals.

The program emphasises key areas such as ownership and execution discipline, accountability, achievement orientation, problem-solving, innovation, communication, stakeholder management, professionalism, and personal effectiveness. Through structured learning interventions, practical discussions, and experiential activities, participants develop the mindset and skills required to excel in their new roles. SAKSHAM plays a vital role in creating a strong leadership pipeline by preparing first-time officers to demonstrate proactive ownership, collaborative leadership, and sustained performance excellence.

CLIMB (First Time Manager)

CLIMB – First Time Managers (FTM) is a leadership development program designed to support employees transitioning into managerial roles for the first time. The program helps participants move from being individual contributors to effective people managers by building the knowledge, skills, and mindset required to lead teams successfully. It provides a strong foundation in leadership, communication, decision-making, and team management, enabling new managers to navigate their responsibilities with confidence and clarity.

The program focuses on five critical dimensions of managerial effectiveness—understanding the managerial role, developing self-awareness and adaptability, leading and managing teams, driving execution and results, and building strong stakeholder relationships. Through experiential learning, practical discussions, and real-world management scenarios, participants learn how to motivate teams, foster collaboration, manage performance, and influence outcomes effectively. CLIMB strengthens the organisation's leadership pipeline by preparing first-time managers to lead with accountability, confidence, and a results-oriented approach.

Crochet Workshop Brings Creativity and Calm to the Workplace

As part of Vardhman Textiles Ltd.'s employee engagement and wellness initiatives, a 15-day Crochet Workshop was organised at the Corporate Office from 19th May onwards. Conducted by in-house instructor Ms Charu Jain, the workshop introduced employees to the art of crochet, enabling them to learn basic stitches and create handcrafted items such as flowers, keychains, mobile covers, and soft toys.

The workshop witnessed enthusiastic participation from employees across departments, many of whom were first-time learners. Beyond developing a new skill, the sessions provided a creative outlet that promoted mindfulness, relaxation, and meaningful interactions among colleagues.

The event concluded with a display of participants' creations, reflecting both their creativity and dedication. The workshop was graced by Executive Director Ms Sagrika Jain, who interacted with participants and appreciated the enthusiasm and artistic talent showcased throughout the program. Employees expressed keen interest in continuing crochet as a hobby, making the initiative a successful blend of learning, wellness, and engagement.

VCL 12– Vardhman Cricket League

Vardhman Cricket League (VCL) is one of the flagship employee engagement and sports initiatives at Vardhman, designed to bring employees together beyond their day-to-day roles and responsibilities. Organised annually, the tournament provides a vibrant platform for employees across departments and locations to connect, collaborate, and compete in the true spirit of sportsmanship. Through exciting matches, enthusiastic participation, and unwavering team spirit, VCL fosters camaraderie, mutual respect, and a sense of belonging among employees.

More than just a cricket tournament, VCL celebrates teamwork, leadership, resilience, and healthy competition while encouraging employees to maintain an active and balanced lifestyle. The league also provides opportunities for employees to contribute in various roles such as players, umpires, scorers, commentators, and support staff, making it an inclusive event that engages a wide spectrum of the workforce. Over the years, VCL has evolved into a much-awaited tradition that strengthens workplace relationships, enhances employee morale, and reinforces Vardhman's commitment to creating a positive, collaborative, and people-centric work culture.

New Wage Code Implementation & CTC Rejig

As part of our commitment to regulatory compliance and employee-centric HR practices, the organisation successfully implemented the New Wage Code framework across all group companies. This initiative involved a comprehensive restructuring of employee CTC structure to align compensation structures with the revised statutory requirements.

To ensure a smooth transition, extensive employee awareness sessions were conducted across all units, providing clarity on the changes, addressing employee queries, and enhancing understanding of the revised compensation framework. In addition, gratuity arrears resulting from higher wage calculations were processed and disbursed to eligible former employees, ensuring full compliance with statutory obligations. The successful execution of this initiative has strengthened transparency, consistency, and governance in compensation management while creating a more standardised and future-ready remuneration framework across the organisation.

Digitisation Initiatives

As part of its ongoing digital transformation efforts, Vardhman continued to leverage technology to simplify processes, improve operational efficiency, and enhance employee experience. Several key initiatives were undertaken during the year to reduce manual intervention, promote process standardisation, and enable seamless access to HR and administrative services across the organisation.

As part of our digital transformation journey, we continue to modernise HR and administrative processes through technology-driven solutions — digitising HR workflows, enabling paperless employee processes, integrating employee management systems and improving data accessibility. These initiatives create a more agile, efficient and employee-friendly 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 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 safe and hygienic living conditions, quality education and healthcare facilities. 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.
- **RURAL DEVELOPMENT:** Supporting the development and prosperity of rural areas.
- **ENVIRONMENT:** Implementing sustainable practices to minimise our ecological footprint.
- **SPORTS, ARTS & CULTURE:** Promoting holistic development and cultural enrichment.

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

Education Initiatives

Constructed a block at Government Primary School, Lohara, Ludhiana

To support underprivileged children's education, the Company 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.

Under the VSDP, the Company has undertaken a significant infrastructure development initiative at Government Primary School, Lohara, Ludhiana. The project includes the construction of 18 well-equipped classrooms along with separate toilet blocks for boys and girls, aimed at enhancing the overall learning environment and sanitation facilities for students. The total investment for this initiative amounts to ₹480 lac, reflecting the Company's commitment to strengthen educational infrastructure and support quality education in the community.

Inauguration of newly constructed Block of 18 well-equipped classrooms at Government Primary School, Lohara, Ludhiana, by Hon'ble Chief Minister of Punjab, S. Bhagwant Singh Mann

Construction of Government Girls Higher Secondary School Narmadapuram, Budhni, Madhya Pradesh.

Construction of a Government Girls Higher Secondary School at Narmadapuram, Budhni, Madhya Pradesh, at a total cost of ₹270 lac, comprising of 14 classrooms and 2 toilet blocks. This initiative aims to strengthen educational infrastructure for girls by providing a safe, inclusive and conducive learning environment, thereby supporting improved access to quality education, enhanced learning outcomes and increased enrolment and retention in the region.

Construction of Government Girls Higher Secondary School Narmadapuram, Budhni, Madhya Pradesh.

Inaugurated AI Data Centre Lab at University Institute of Engineering and Technology (UIET), Panjab University, Chandigarh.

The AI Data Centre Lab was inaugurated at the University Institute of Engineering and Technology (UIET), Panjab University, Chandigarh, with a total project cost of ₹1 crore. The state-of-the-art facility has been established to strengthen technical education and foster innovation in the fields of Artificial Intelligence, Data Science and emerging digital technologies. Equipped with advanced computing infrastructure, the lab will provide students, researchers and faculty members with hands-on learning opportunities, enabling them to undertake research projects and develop practical AI-based solutions. The initiative is expected to promote industry-academia collaboration, enhance research capabilities and prepare future professionals with the skills required to meet the evolving demands of the digital economy.

Inauguration of AI Data Centre Lab at University Institute of Engineering and Technology (UIET), Panjab University, Chandigarh.

Establishment of STEM Labs in 10 Government Schools, Baddi, Himachal Pradesh

To promote experiential learning and strengthen science and technology education, the Company established STEM (Science, Technology, Engineering and Mathematics) Labs in 10 Government Schools in Baddi. The initiative aims to enhance students' understanding of scientific concepts through hands-on learning, experimentation and innovation. Equipped with modern educational tools, models and learning kits, the STEM Labs provide an interactive environment that encourages critical thinking, problem-solving, creativity and practical application of classroom knowledge. The project has enriched students' learning experience, improved their exposure to emerging technologies, and fostered greater interest in STEM subjects, thereby contributing to the development of future-ready learners in the region.

Establishment of STEM Labs in 10 Government Schools, Baddi

Distribution of winter-wears to students of government hostels in District Raisen, MP

Distribution of winter wears to the students of government hostels in District Raisen, MP.

The Company extended support to the students residing in government hostels by distributing winter inner-wears to children from economically weaker sections. The initiative aimed to protect students from harsh winter conditions and enhance their comfort, health, and well-being during the cold season. By providing warm clothing to hostel residents, the project helped reduce vulnerability to seasonal illnesses and ensured that children could continue their education in a safer and more conducive environment.

Provided Utility items & Art Painting work at 3 Aanganwadi Centres in District Malerkotla.

As a part of its commitment to strengthen early childhood care and development, the Company supported three Aanganwadi Centres in District Malerkotla by providing essential utility items and undertaking art painting work to create a child-friendly learning environment. The initiative enhanced the overall infrastructure and aesthetics of the centres, making them more welcoming, engaging and conducive to learning for young children.

Provided Utility items & Art Painting work at 3 Aanganwadi Centres in District Malerkotla, Punjab.

Organisation of Early Literacy Programme 'OELP'

The Company provided financial contribution to OELP, which is setting up Mohallah Learning Centres. Focused on theme-based projects, OELP engages children in villages across Ajmer (Rajasthan). Educational interventions targeting foundational learning for classes 1 and 2 yield significant progress in literacy and numeracy skills through tailored assessments and structured programs. The initiative also facilitated community engagement, reaching over 2,000 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 overcoming educational disruptions and fostering holistic development in rural communities.

Educational programs conducted by OELP for Class 1 and 2 students.

Provided Mobile Planetarium Van to Pushpa Gujral Science City, Jalandhar

The Company extended support to Pushpa Gujral Science City (PGSC), Jalandhar, by providing a mobile planetarium van to promote science education among students, particularly, in rural and semi-urban areas of Punjab. The initiative involved funding the capital expenditure for the procurement and establishment of a fully equipped mobile planetarium unit, including a customised vehicle, digital dome, projection system and supporting infrastructure. Implemented in partnership with 'Saare Taare Zameen Par' Trust, the project enables PGSC to conduct outreach programs by taking immersive astronomy and STEM-based learning experiences directly to schools and communities.

Provided Mobile Planetarium Van to Pushpa Gujral Science City, Jalandhar

Other initiatives

Safe Drinking Water Facilities

The Company 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.

Other CSR Initiatives

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

Key Highlights

(Cumulative)

100,024 Students benefitted	**5,935** Student desks provided	**Punjab, MP, HP, Rajasthan, Odisha, Chandigarh** States covered	**120** Toilet blocks constructed
339 Classrooms constructed	**312** Aanganwadis supported	**1,139** Computer systems provided	

Health Care Initiatives

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.

26,000 girls from economically disadvantaged families in Baddi, Himachal Pradesh, benefited during the year under the Project NANDANI. The project 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.

Additionally, Project NANDINI organises community events like the 'Gyan Vigyan Mela', which serve as platforms 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.

Key Highlights

(Cumulative)

114,420 Adolescent girls have benefited from the project	**60** Education & Health Fairs have been organised to facilitate education and health awareness among communities.

Gyan Vigyan Mela

As part of Project NANDINI, the Company 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.

Various initiatives being taken by the Company under Project NANDINI.

Organised Artificial Limbs Distribution Camps

The Company organised artificial limbs distribution camps. This initiative not only enhances the mobility and independence of recipients but also promotes inclusivity and dignity within the community. A total of 244 individuals across MP, Punjab and HP benefited from this program, significantly improving their quality of life and enabling them to lead more fulfilling lives.

Providing artificial limbs to disabled individuals, enhancing their lives significantly.

Inaugurated Eye OPD Block at Christian Medical College & Hospital, Ludhiana.

As a part of its commitment to strengthen healthcare infrastructure and enhancing access to quality medical services, the Company provided financial support of ₹50 lac for the establishment of the Eye OPD Block at Christian Medical College & Hospital (CMC), Ludhiana. The newly inaugurated facility is expected to significantly improve outpatient eye care services by providing better consultation, diagnosis and treatment facilities to patients. This initiative will help strengthen eye healthcare delivery and contribute to improved health outcomes for thousands of beneficiaries, particularly, those from underserved sections of society, thereby reinforcing the Company's commitment to community well-being and accessible healthcare.

Inaugurated Eye OPD Block at Christian Medical College & Hospital, Ludhiana.

Provided an Ambulance to Urban Community Health Centre (UCHC) Subhash Nagar, Ludhiana.

Provided an Ambulance to Urban Community Health Centre (UCHC) Subhash Nagar, Ludhiana.

The Company provided a fully equipped ambulance to the Urban Community Health Centre (UCHC), Subhash Nagar, Ludhiana. The ambulance is expected to enhance the Centre's emergency response capabilities, facilitate timely transportation of patients and support the delivery of essential healthcare services to the local community. This initiative will particularly benefit economically disadvantaged and vulnerable sections of society by ensuring prompt medical assistance during emergencies, thereby contributing to improved health outcomes and community well-being.

Provided a TB Testing Machine to Government Civil Hospital, Malerkotla.

To strengthen diagnostic facilities and support the early detection and treatment of tuberculosis, the Company provided a TB Testing Machine to Government Civil Hospital, Malerkotla. The advanced diagnostic equipment will enhance the hospital's capacity to conduct accurate and timely TB testing, enabling quicker diagnosis and improved patient management. This initiative is expected to benefit a large population, particularly, individuals from underserved communities, by facilitating access to quality healthcare services and contributing to the national effort towards TB elimination and better public health outcomes.

Provided a TB machine to the Government Civil Hospital, Malerkotla.

Organising Health Check-up Camps across HP, MP and Punjab Location

The Company 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.

Health check-up camps at various villages

Key Highlights

(Cumulative)

805,892 INDIVIDUALS	₹33.19 Cr	235
Benefited by extending our coverage to healthcare institutions across 5 states and 1 Union territory	Total value of medical equipment donated that has enhanced healthcare delivery capabilities	Village covered

Rural Development Initiatives

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.

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

Project Pragati

To empower farmers, we operate 'Project Pragati' as 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:

1. **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 environmentally friendly farming methods.
2. **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.
3. **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.
4. **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.

Key Highlights

(Cumulative)

182,900 Villagers benefitted

880 Solar lights installed

40 Hand pumps installed

22 Bore wells installed

8 Ponds renovated

Arts & Culture Initiatives

Sangeet Sankalp Saptah at SAPTAK Annual Music Festival

The Company'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, the Company plays a crucial role in encouraging and sustaining India's rich musical heritage.

Supported SAPTAK Music Festival, Ahmedabad

Bhopal Literature & Art Festival

Company'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.

Supported Bhopal Literature & Art Festival

Shoolini Fair Festival – Solan, Himachal Pradesh

The Shoolini Mela holds significant cultural importance in the 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.

Strong corporate governance remains the cornerstone of Vardhman's long-term sustainability. We believe that transparent decision-making, ethical business conduct and effective oversight are essential in creating enduring stakeholder value and maintaining trust. Our governance framework promotes accountability, compliance and responsible leadership while ensuring that sustainability considerations remain integrated into strategic and operational decision-making.

Board Composition

Our Board comprises a diverse mix of executive and non-executive directors with expertise spanning manufacturing, finance, strategy, governance, sustainability and business leadership. This diversity of experience supports balanced decision-making and strengthens our ability to guide the Company's long-term growth.

Board Metric: FY 2025-26

50%
Independent Directors

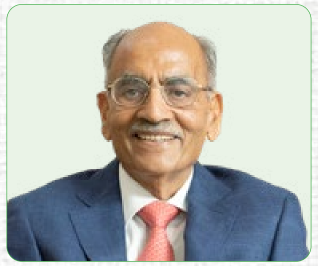
33.33%
Women Representation on the Board

Key Committees of the Board

Committee	Oversight Responsibility
Audit Committee	Financial reporting, internal controls, audit processes and compliance.
Nomination & Remuneration Committee	Board composition, succession planning, leadership development and compensation.
Stakeholders' Relationship Committee	Shareholder engagement and stakeholder grievance redressal.
Risk Management Committee	Enterprise risk monitoring, mitigation and resilience-building.
CSR Committee	Community development and social impact programme oversight.
ESG Committee	ESG strategy, performance monitoring and long-term sustainability commitments.

Our Board of Directors

Shri S. P. Oswal
Chairman & Managing Director


M

As the architect of Vardhman's growth journey, Shri S. P. Oswal has played a defining role in transforming the Company into one of India's most respected integrated textile enterprises. His leadership, spanning more than five decades, combines entrepreneurial foresight with deep industry understanding and an unwavering commitment to excellence. Under his stewardship, Vardhman has navigated multiple phases of expansion, diversification and value creation, building a strong foundation for sustainable growth and long-term competitiveness. His vision continues to shape the Company's direction — balancing industrial ambition with responsibility to stakeholders, communities and the environment.

Mrs. Suchita Jain
Vice Chairperson & Managing Director


M

Mrs. Suchita Jain has been instrumental in shaping Vardhman's evolution across multiple business segments. With a strong focus on operational excellence, customer-centricity and innovation, she has contributed significantly to expanding the Company's manufacturing capabilities and strengthening its market position. Her leadership continues to drive transformation while balancing growth with sustainability and the creation of stakeholder value.

Mr. Neeraj Jain
Managing Director


M

Mr. Neeraj Jain brings a unique blend of financial acumen and operational expertise to the Board. His extensive experience across finance, yarn manufacturing and business management has helped strengthen Vardhman's competitive position in an evolving industry landscape. His strategic approach to risk management, business optimisation and long-term planning continues to support the Company's growth ambitions.

Mrs. Sagrika Vir
Executive Director


M

Representing a new generation of leadership, Mrs. Sagrika Vir brings a global outlook shaped by international education and professional experience. Her exposure to modern management practices provides fresh perspectives on growth, digitalisation and organisational development.

[M] Member [C] Chairman / Chairperson
Audit Committee · Nomination and Remuneration Committee · Stakeholders' Relationship Committee
Risk Management Committee · Corporate Social Responsibility (CSR) Committee · Environmental Social and Governance (ESG) Committee

Mr. Sachit Jain
Non-Executive Non-Independent Director

Mr. Sachit Jain brings decades of leadership experience across manufacturing and industrial businesses. His deep understanding of business operations, people management and industry dynamics contributes valuable insight to the Board's strategic deliberations.

M ● ●

Mrs. Soumya Jain
Non-Executive Non-Independent Director

Mrs. Soumya Jain contributes a contemporary business perspective shaped by operational experience across production, marketing and HR. As part of the next generation of leadership, she brings fresh thinking and a long-term orientation to the Board's strategic discussions.

Mr. Udeypaul Singh Gill
Independent Director

Mr. Udeypaul Singh Gill contributes extensive experience spanning sustainability, business restructuring, governance and strategic transformation. His multidisciplinary expertise enables him to provide valuable guidance on business resilience, organisational effectiveness and long-term value creation.

C ● M ●

Mr. Suresh Kumar
Independent Director

With a distinguished career in public administration and governance, Mr. Suresh Kumar brings deep expertise in policy formulation, regulatory frameworks and institutional development. His experience in both State and Central Government enables him to provide a valuable public policy perspective on strategic and governance matters.

M ● C ● ● ●

Ms. Harpreet Kang
Independent Director

Ms. Harpreet Kang brings a strong blend of international engagement, academic leadership and stakeholder collaboration to the Board. As Dean, PCTE Group of Institutes, she has played a key role in strengthening the 27 year old legacy, which not only boasts of 47 countries on the campus but also of global collaborations and academic networks for placements, research and outstanding growth.

M ● C ●

Mr. Atul Khosla
Independent Director

With extensive experience spanning consulting, research, policy and higher education leadership, Mr. Atul Khosla brings a future-focused perspective to the Board. His expertise in strategy formulation, innovation, ecosystems and organisational design strengthens the Company's ability to navigate change and capitalise on emerging opportunities.

C ●

Dr. Prem Kumar
Independent Director

Dr. Prem Kumar combines academic excellence with extensive experience in leadership, public policy and corporate governance. Known for his contributions to institution building and strategic management, he brings a balanced perspective on sustainable growth and organisational effectiveness.

M ●

Dr. Arvind Sahay
Independent Director

A distinguished academic (Ph.D. from University of Texas at Austin and over 30 years at London Business School, IIM Ahmedabad and MDI Gurgaon) and seasoned board professional, Dr. Arvind Sahay brings deep expertise in marketing strategy, pricing, branding, consumer behaviour, applications of neuroscience to business and global business dynamics. Over the course of his career, he has contributed extensively to management education (e.g. UTV Bloomberg best Marketing Professor in India; 100 plus publications; 40 plus consulting clients), leadership (as Dean IIM Ahmedabad and Director MDI Gurgaon) and corporate governance (more than 50 years of board room experience) across industries.

[M] Member **[C]** Chairman / Chairperson
● Audit Committee ● Nomination and Remuneration Committee ● Stakeholders' Relationship Committee
● Risk Management Committee ● Corporate Social Responsibility (CSR) Committee ● Environmental Social and Governance (ESG) Committee

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

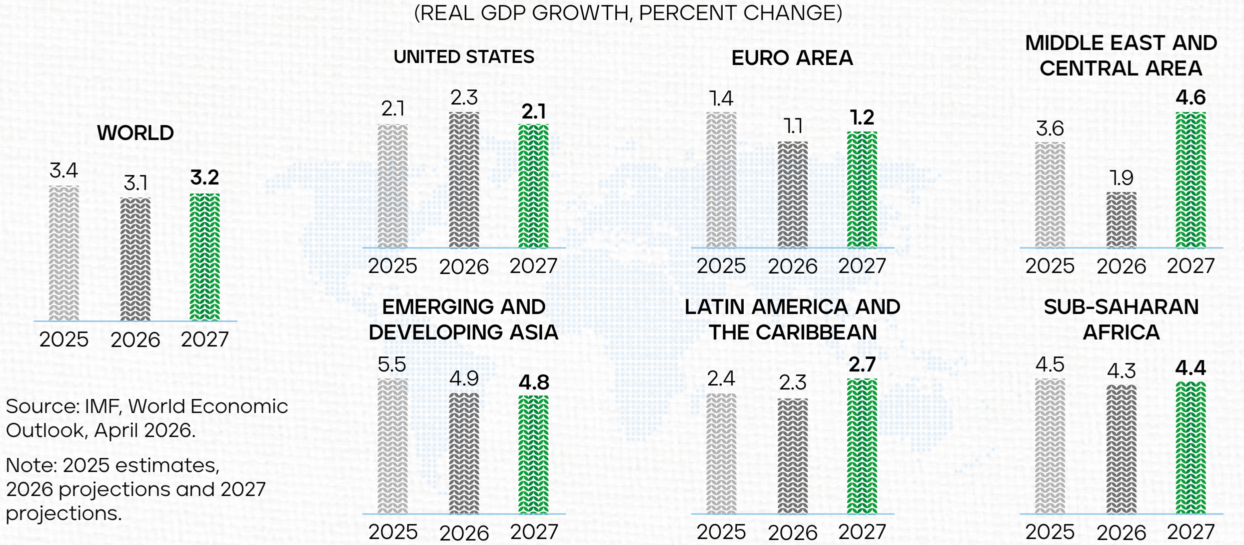
Global Economy

The global economy has faced serious headwinds due to prevailing geopolitical situation reflecting in regressive trade policies and armed confrontation mainly in the world energy supply centres i.e. Middle East. Not only, it resulted in supply side shocks for the exporting countries but high tariff regime has also led to spiral inflation in developed countries namely USA and EU. One of the most inauspicious outcome is also the heightened economic uncertainties linked with ever increasing distrust among economies considered as great allies of all times. Emerging economies dependent upon export market for faster economic growth and creation of employment are facing hardship in containing inflation, protecting employment and keep their manufacturing sector running by minimizing supply side obstacles.

Despite of above mentioned facts, in 2025, global GDP growth demonstrated notable resilience amid structural transformations, registering an approximate growth of 3.3%. Going forward, the world economy is likely to slow down marginally and is expected to achieve growth of 3% approximately in 2026.

World Economic Outlook April 2026 - Growth Projections by Region

(REAL GDP GROWTH, PERCENT CHANGE)



Source: IMF, World Economic Outlook, April 2026.

Note: 2025 estimates, 2026 projections and 2027 projections.

Indian Economy

The Indian economy continued to be one of the fastest growing economy, which is also growing in size and become the fourth largest economy in the world 2025. Though, the exports sector, which is central to higher economic growth on sustainable basis continued to lag. The domestic demand and manufacturing activities continued to remain robust with moderate inflation despite of supply side constraints linked with higher uncertainty in energy availability and prices. As per a latest IMF report, the economic growth is expected to be 7.6% for FY 2025-26 against 5% in China.

The Textile Sector

The world textile and clothing (T&C) trade as reflected in the performance of the leading exporters of textiles and clothing products has shown poor outlook as most of the exporting countries witnessed fall in the T&C exports. China's textile and clothing (T&C) exports marginally declined to USD 294 bn in 2025 against USD 302 bn in 2024. Bangladesh, T&C exports declined from USD 47 bn in 2024 to USD 42 bn in 2025. However, against the trend, the T&C exports of Vietnam reportedly increased from USD 41 bn in 2024 to USD 44 bn in 2025. Pakistan and Srilanka have also sustained their exports at previous level of USD 17-18 bn and USD 5-5.50 bn respectively.

Indian Textile Industry

Indian textile exports are predominantly cotton-based, although the share of man-made textiles is also gradually increasing. Cotton, being the basic raw material, constitutes the largest component of our cost structure. Therefore, it is of paramount importance that the price and availability of cotton in India remain internationally competitive and assured. We have witnessed the following trends:

1. Import duty on cotton

When the Government imposed an import duty of 11% on cotton in the year 2021, it created a significant barrier to imports. There was a period when Indian cotton prices remained significantly higher than international prices, thereby putting Indian textile manufacturers at a disadvantage vis-à-vis competitors such as Bangladesh and Vietnam, which are largely dependent on imported cotton.

The Government subsequently allowed duty-free imports for a limited period after considering representations from the industry. However, this limited-window approach created uncertainty for the industry, as manufacturers were unable to make appropriate and timely procurement decisions with international suppliers.

Accordingly, the industry has represented to the Government that duty-free import of cotton should be allowed on a permanent basis. This would provide greater certainty to the industry, enable timely procurement decisions, and help ensure that Indian textile manufacturers remain internationally competitive.

2. Increasing preference for specific varieties and regions of cotton by global brands

A second noticeable trend that has emerged is the increasing preference among global brands for specific varieties and regions of cotton to be used in the products supplied to them. This means that buyers increasingly specify the type and origin of cotton to be used—whether MOT (USA), Australian cotton, CME/CMI, or other specified varieties—based on their product-promotion strategies, customer preferences, and the need to maintain consistency in products supplied by different manufacturers.

If free import of cotton is not permitted, this can place a significant constraint on the competitiveness of Indian textile manufacturers, as they may not be able to offer certain product lines that are commercially viable and specifically required by buyers. In such cases, the buyer may shift the entire order to another country where the required variety of cotton is readily available.

This further highlights the importance of allowing duty-free imports of cotton. It reinforces the case for introducing a policy that permits the duty-free import of cotton on a permanent basis.

Outlook 2026–2030: Cautious Optimism for the Agile

Executive sentiment captured in McKinsey's State of Fashion 2026 Report is telling: "challenging" has overtaken "uncertain" as the prevailing descriptor, with 46% of leaders expecting conditions to worsen in 2026. Tariffs, sluggish GDP in key markets and value-conscious shoppers are weighing on volumes. Yet 25% foresee improvement, driven by pockets of opportunity in wellness-adjacent products, resale ecosystems and technology-enabled efficiency.

By 2030, the sector will be recognisably different: leaner, greener and smarter. Market value will have grown substantially, but share will shift toward those who master circularity, digital fluency and functional innovation. Brands and manufacturers that treat 2026–2030 as a strategic reset—investing in people, processes, and partnerships today—will not only navigate volatility but define the next era of textile leadership.

World Cotton Outlook

The United States Department of Agriculture (USDA) forecasts global cotton production to rise by over 2.45 million bales, reaching 120.99 million bales in the 2025–26 season. The Asia-Pacific region continues to dominate the market, holding around 53% of the global share.

In contrast, global cotton consumption is expected to decline by 0.36 million bales to 118.58 million bales in comparison to cotton season 2024-25, indicating weaker demand.

Meanwhile, the global cotton export has increased by 1.50 million bales, reflecting shifts in market dynamics. Cotton prices have risen significantly, with a modest 6.1% gain compared to the same quarter last year, as reported by the Inter-Continental Exchange (ICE).

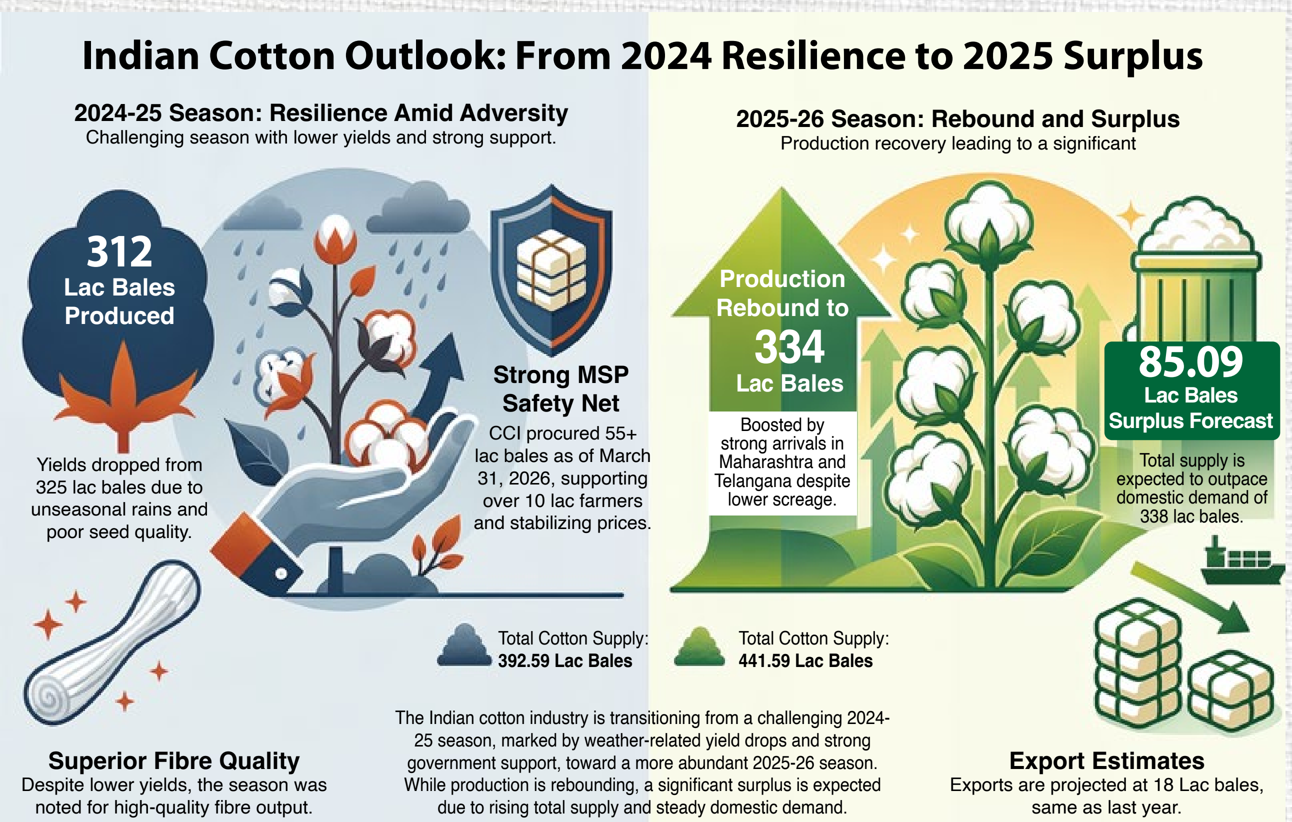
However, ongoing geopolitical tensions, including war crises and rising energy costs, pose risks that could further dampen global demand, adding uncertainty to the market outlook.

Indian Cotton Outlook

For Cotton 2024-25 season, production settled at around 312.40 lac bales (170 kg), down from 325 lac the prior year, hit by unseasonal rains that slashed yields in Gujarat and the North, poor seed quality, and rain-fed vulnerabilities.

For 2025-26, CAI's latest estimate points to a modest rebound at 334 lac bales, boosted by better arrivals in Maharashtra and Telangana despite slightly lower acreage. With steady mill demand and continued imports, the season looks balanced.

The CAI has maintained its cotton exports estimate for the 2025-26 season at 18.00 lac bales. Total cotton supply will be increased till the end of the 2025-26 season, estimated at 441.59 lac bales (which includes imports of 47 lac bales as against 41 lac bales during 2024-25), from the last season's estimate of 392.59 lac bales, which may cause an available surplus (i.e. total supply of 441.59 lac bales less total domestic demand estimated at 338.00 lac bales and export estimated at 18.00 lac bales) of 85.09 lac bales at the end of 2025-26 season.



Comparison with International Cotton Prices

During the current cotton season 2025-26 starting from October, 2025 onwards, Indian cotton remained in the range ₹52,500-55,000 per candy i.e. at a premium of around US cent 11-14/Lb over NY Futures up till end of March, 2026. Imported cotton prices were also in the range of US cent 9-14/ Lb over NY Futures during the same period.

Indian Government had exempted import duty on cotton up to 31st December, 2025. This led to increase in imports because of higher realization in imported cotton vs Indian cotton as well as lower contamination in imported cotton.

Since Indian prices were relatively high, CCI was active during the season time and procured seed cotton of around 105 lac bales from farmers. As evident from the fact that during last one month, both Indian cotton prices as well Imported cotton prices have risen sharply by more than 20%.

Yarn and Fabric Demand

The spinning industry witnessed significant consolidation over the last two years due to subdued demand and rising geopolitical uncertainties. However, the second half of FY 2025–26 marked a turnaround, with strengthening order inflows resulting in better capacity utilization in the Industry. This positive momentum has continued into FY 2026–27, supported by improved demand visibility. Going forward, the Company will focus on expanding its portfolio of value-added and specialty yarns. Simultaneously, efforts will be directed towards entering new markets and product segments. These initiatives are expected to improve our product portfolio & give stability to operations.

Like Spinning, the last year was one of the challenging years for the woven fabric industry also. The uncertainty created by changes in U.S. trade policies and tariff structures disrupted global sourcing patterns, with several international brands shifting business to countries perceived to have a more favourable tariff position. It adversely impacted export-oriented textile manufacturers, including our business.

With U.S. exports slowing, many Indian mills redirected their focus towards the domestic market resulting in intensified price competition and pressure on margins across the industry. Further, with a sharp increase in the yarn prices and reluctance of brands to absorb the costs led to margin compression across the value chain.

The outlook for FY 2026–27 is becoming more encouraging. Global brands are gradually resuming sourcing decisions as supply chains stabilize, while India's recently concluded and upcoming Free Trade Agreements with the UK and the EU are expected to improve the competitiveness of Indian textile exports by reducing tariff disadvantages and providing preferential market access.

Financial Performance

Particulars	2025-26	2024-25	Change
Revenue from Operations	9,652.33	9,587.21	0.68%
Operating Profit (EBITDA)	1,494.37	1,624.63	-8.02%
Finance Cost	92.35	77.02	19.90
Depreciation Cost	461.64	397.92	16.01
Profit before Tax	940.38	1,149.69	-18.21
Profit after Tax	740.02	879.07	-15.82

Financial Ratios

Particulars	2025-26	2024-25	%Change	Reason
Debtor Turnover Ratio (Days)	49	49	0	-
Inventory Turnover (Days)	137	140	-2.14%	-
Interest Coverage Ratio (Times)	11.18	17.97	-37.79%	Due to increase in Finance Costs and decrease in Profits.
Current Ratio (Times)	4.17	4.8	-13.13%	-
Debt-Equity Ratio (Times)	0.18	0.13	38.46%	Due to increase in borrowings during the year.
EBITDA Margin (%)	15.48	16.95	-8.67%	-
Net Profit Margin (%)	7.45	8.83	-15.63%	-
Return on Net Worth (%)	7.26	9.18	-20.92%	Due to decrease in Profit after tax.

Risk Management

Risk is a fundamental and unavoidable part of every business. The Company has established a robust management framework for proactively early identification and thorough analyse of the risks followed by timely implementation of corrective measures and continuous monitoring and re-assessment thereof. The common risks, inter alia, include change in Govt. Regulations, Competition, Technology Obsolescence, Retention of talent, Legal risk, Business Risks viz. financial risk, volatility in raw material prices, geo-political tensions leading to supply chain disruptions, forex fluctuations & effect on global demand etc.

The Board of the Company has constituted a Risk Management Committee under the Chairmanship of an Independent Director and has also put in place a Risk Management Policy aiming to maximise opportunities in all activities and to minimise adversity. 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.

Human Resources/ Industrial Relations

A culture of meritocracy is followed in Vardhman Textiles Limited. The Company ensures that everyone receives equal opportunity and respect and is treated with dignity. It also believes in meeting employees' developmental needs. To achieve that, the Company conducts various programmes for skill and knowledge development. The work environment is based on the team's holistic growth. During the year, the Company has employed 24,097 employees on permanent rolls. Further, industrial relations remained peaceful and harmonious during the year.

Internal Control System and Adequacies

To remain aligned with industry standards, the Company consistently reviews and updates its internal controls, benchmarking against best practices. It integrates evolving business requirements, legal regulations and corporate governance into its systems following a comprehensive assessment of stakeholder expectations, including customers and regulatory bodies. Senior management actively oversees the implementation of internal audit recommendations to ensure continuous improvement. Regular IT infrastructure upgrades strengthen controls and support informed decision-making, keeping the Company technologically current and competitive within the industry.

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 53rd Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2026.

1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31st March, 2026 is as under:-

(₹ in crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations (Net)	9,652.33	9,587.21	9,869.05	9,784.88
Other Income	275.42	367.47	223.48	335.96
Profit before Depreciation, Interest & Tax (PBDIT)	1,494.37	1,624.63	1,512.15	1,646.44
Interest and Financial expenses	92.35	77.02	92.49	77.28
Profit before Depreciation and Tax (PBDT)	1,402.02	1,547.61	1,419.66	1,569.16
Depreciation	461.64	397.92	464.53	400.92
Profit before Tax (PBT)	940.38	1,149.69	955.13	1,168.24
Provision for Tax - Current Tax	187.29	240.69	190.02	242.81
- Deferred Tax	13.07	29.93	11.91	38.71
Profit after Tax (PAT)	740.02	879.07	753.20	886.72
Other Comprehensive Income/ (Expense)	3.98	0.98	4.27	0.84
Total Comprehensive Income for the period	744.00	880.05	757.47	887.56
Earnings per share (₹)				
- Basic	25.58	30.40	26.18	31.05
- Diluted	25.58	30.40	26.18	31.05

2. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

PRODUCTION & SALES REVIEW:

During the year under review, your Company has registered Revenue from Operations of ₹9,652.33 crore as compared to ₹9,587.21 crore in the previous year. The export of the Company (FOB value) decreased from ₹4,028.00 crore to ₹3,986.44 crore showing a decline of 1.03% over the previous year. The business wise performance is as under:-

a) **Yarn:**

The production of Yarn increased from 2,67,552 MT to 2,77,072 MT during the year 2025-26.

b) **Fabric:**

During the year, the production of grey fabric decreased from 208 million meter to 197 million meter. The production of processed fabric decreased from 170 million meter to 165 million meter.

c) **Garment:**

The number of garments produced during the year 2025-26 increased from 18.95 lac to 21.73 lac.

STANDALONE:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹1,494.37 crore as against ₹1,624.63 crore in the previous year. After providing for depreciation of ₹461.64 crore (Previous Year ₹397.92 crore), interest of ₹92.35 crore (Previous Year ₹77.02 crore), provision for current tax of ₹187.29 crore (Previous Year ₹240.69 crore), deferred tax of ₹13.07 crore (Previous Year ₹29.93 crore), the net profit from operations after comprehensive income worked out to ₹744 crore as compared to ₹880.05 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹8,726.42 crore. Out of this, a sum of ₹144.60 crore has been utilised towards dividend and balance of ₹8,581.82 crore is proposed to be carried as surplus to the Balance sheet.

Resources Utilisation:

a) **Fixed Assets:**

The Net Block as at 31st March, 2026 was ₹5,031.53 crore as compared to ₹4,090.36 crore in the previous year.

b) **Current Assets:**

The current assets as on 31st March, 2026 were ₹6,675.27 crore as against ₹6,057.22 crore in the previous year. Inventory level was at ₹3,581.90 crore as compared to the previous year level of ₹3,681.80 crore.

CONSOLIDATED:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹1,512.15 crore as against ₹1,646.44 crore in the previous year. After providing for depreciation of ₹464.53 crore (Previous Year ₹400.92 crore), interest of ₹92.49 crore (Previous Year ₹77.28 crore), provision for current tax of ₹190.02 crore (Previous Year ₹242.81 crore), deferred tax of ₹11.91 crore (Previous Year ₹38.71 crore), the net profit from operations after comprehensive income worked out to ₹757.47 crore as compared to ₹887.56 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹8,951.26 crore. Out of this, a sum of ₹142.29 crore has been utilised towards dividend, an amount of ₹0.79 crore has been transferred to Statutory Reserve and balance of ₹8,808.18 crore is proposed to be carried as surplus to the Balance sheet.

Resources Utilisation:

a) **Fixed Assets:**

The Net Block as at 31st March, 2026 was ₹5,091.90 crore as compared to ₹4,147.96 crore in the previous year.

b) **Current Assets:**

The current assets as on 31st March, 2026 were ₹6,973.43 crore as against ₹6,304.61 crore in the previous year. Inventory level was at ₹3,643.28 crore as compared to the previous year level of ₹3,761.48 crore.

FINANCIAL CONDITIONS & LIQUIDITY:

The Company enjoys a rating of "AA+/Stable" from Credit Rating Information Services of India Limited (CRISIL) for long term borrowings and "A1+" for short term borrowings and IND A1+ for Commercial Paper from India Ratings and Research Private Limited. 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	2025-26	2024-25
Cash and Cash equivalents:		
Beginning of the year	52.11	33.00
End of the year	39.75	52.11
Net cash provided (used) by:		
Operating Activities	1,101.81	1,618.71
Investing Activities	(1,513.60)	(870.03)
Financing Activities	399.43	(729.57)

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 7th May, 2026 has recommended dividend of ₹5/- per share on the fully paid-up 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 2018-19 is due for remittance in the month of November, 2026 to IEPF 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.

6. CONSOLIDATED FINANCIAL STATEMENT:

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

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company does not have any material subsidiary and joint venture. Further, during the year, no company has 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 2025-26 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 2025-26, VTL recorded Revenue from operations of ₹7.72 crore against ₹5.51 crore in the previous year. The net profit of the Company worked out to ₹6.96 crore as compared to ₹4.95 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 2025-26, VAL recorded Revenue from operations of ₹318.57 crore against ₹281.57 crore in the previous year. The net profit of the Company after comprehensive income worked out to ₹27.33 crore as compared to ₹11.76 crore in the previous year.

Vardhman Yarns and Threads Limited (VYTL)

Vardhman Yarns and Threads Limited, Joint Venture with American & Efird 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 ₹1,246.97 crore as against ₹1,195.51 crore in the previous year showing an increase of 4.30%. The net profit for the year after comprehensive income worked out to ₹254.09 crore as compared to ₹205.42 crore during last year.

Vardhman Special Steels Limited (VSSL)

Vardhman Special Steels Limited is an Associate of the Company. Your Company holds 20.08% shares of VSSL. The Revenue from operations of the Company was ₹1,754.43 crore as compared to ₹1,764.41 crore in the previous year. The net profit for the year after comprehensive income worked out to ₹122.47 crore as compared to ₹92.81 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. EXPANSION OF FABRIC AND YARN BUSINESS:

During the year, your Company has started the commercial production of its Technical Textiles plant, having a capacity to produce 15 lakh meters of fabric per month, in Baddi (HP). The production commenced on 1st March, 2026. Your Company has also enhanced its fabric processing capacity at Vardhman Fabrics, Budhni, Madhya Pradesh, by 31 million meters p.a. The new processing capacity commenced commercial production on 7th March, 2026.

Further, during the year, your Company has also enhanced its spinning capacity by commissioning 35,000 additional spindles.

9. DIRECTORS:

Liable to retire by Rotation: In accordance with the provisions of the Articles of Association of the Company, Mr. Sachit Jain and Mrs. Soumya 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 recommends 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:

- Mrs. Soumya Jain was appointed as a Non- Executive Non-Independent Director of the Company w.e.f. 3rd May, 2025.
- Dr. Arvind Sahay was appointed as an Independent Director of the Company for a term of five (5) consecutive years w.e.f. 3rd May, 2025.

Their appointments were further approved by the Members of the Company through Postal Ballot ended on 25th June, 2025.

Appointment of Managing Director(s): On the recommendation of the Nomination & Remuneration Committee, and subject to approval of the Members of the Company, the Board of Directors of your Company in its meeting held on 7th May, 2026, has approved to appoint Mrs. Suchita Jain as the Vice-Chairperson & Managing Director and Mr. Neeraj Jain as Managing Director of the Company, for a period of 5 (five) years w.e.f. from 1st April, 2026.

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:

At the time of appointing a Director, a formal letter of appointment is given, which inter-alia includes the role, function, duties and responsibilities expected from him/her as a Director of the Company and necessary documents, reports and internal policies to enable him/her to familiarise with the Company and it's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved etc. Updates on relevant statutory changes on important laws are periodically presented or circulated to the Board. The Directors are also explained in detail the compliances required from them under the Act, the SEBI Regulations and other relevant Laws and Regulations.

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/Familarisation_Programme_for_Board_Members.pdf

Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the financial year 2025-26 was held on 24th March, 2026 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.

10. 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 Board 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.

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.

11. 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 31st March, 2026:

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

12. NUMBER OF BOARD MEETINGS:

During the year under review, the Board met Five (5) 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.

13. 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 49th Annual General Meeting of the Company held on 30th September, 2022.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2026.

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 in its meeting held on 3rd May, 2025, for a consecutive term of 5 years w.e.f. financial year 2025-26. 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 31st March, 2026. This Report is self-explanatory and requires no comments and it forms part of this report as **Annexure - I**.

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 had 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. The Cost Audit Report for the financial year 2025-26 is under finalization and will be submitted to the requisite authorities within due course of time.

14. 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 Mrs. Sagrika Vir, 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 2025-26, 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

15. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing shareholders' 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.

16. 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

During the year, the Company has spent ₹28.78 crore on CSR activities. Out of this, an amount of ₹9.68 crore pertains to FY 2025-26.

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**.

17. 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. Further, your Company has taken reasonable assurance of the BRSR Core from third-party Independent Assurance provider.

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_2025-26.pdf

18. 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

19. 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

20. 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.**

21. 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

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

22. 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).

23. 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.**

24. 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

25. 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 organizational 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 31st March, 2026, the Company employed around 24,097 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.

26. 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.

27. 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 these financial statements relate and the date of this report.

28. 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 31st March, 2026 and of the profit of the Company for the year ended on 31st March, 2026;

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. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

29. 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 complaint filed under the said Act. The Company is also in regular compliance of the 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 and the Maternity Benefit Act, 1961.

In addition to this, all the policies as required under the Act or the SEBI (Listing Obligations and Disclosure Requirments) Regulations, 2015, 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.

30. VARDHMAN TEXTILES LIMITED EMPLOYEE STOCK OPTION PLAN 2024:

The Company has granted Options to its employees under Vardhman Textiles Limited Employee Stock Option Plan, 2024 (hereinafter referred as ESOP Plan). As per the terms of ESOP Plan, the Company can grant a maximum of 34,70,097 Options to the eligible employees from time to time. One Option entitles the holder to apply for one equity share of the Company. During the financial year 2025-26, 1,07,000 equity shares were allotted to the eligible employees. Accordingly, the paid-up equity share capital of the Company stood increased to ₹57,85,63,600 as on 31st March, 2026.

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_-_2025-26.pdf

31. ACQUISITION OF STAKE IN SONE SOLAR ONE ENERGY LIMITED:

During the year, your Company has entered into a 'Share Subscription and Shareholders's Agreement' with ASG HOLDCO BETA PTE LIMITED (Developer) and Sone Solar Energy One Private Limited (SONE) (Power Producer) along with a 'Power Purchase Agreement' with SONE. The purpose of entering into the Agreements is to develop a ground mounted solar (photovoltaic) power generation facility in the State of Punjab, having a total capacity of 30 MWac (42MWp) which will be set-up as a group "captive power plant" in accordance with the Regulations for supply of power on a group captive basis to the Captive Consumer i.e. Vardhman Textiles Limited (22.5 MWac) and other eligible captive users (7.5 MWac). Your Company has acquired 19.5% stake in the Equity Securities (i.e Equity Shares and Compulsory Convertible Debentures) of SONE during the year.

32. 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 : 30th July, 2026

(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 2025-26.
II	CSR Activities – Annual Report FY 2025-26.
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 31ST MARCH, 2026

[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 31st March, 2026 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 31st March, 2026 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 - Not applicable to the Company during the Audit period;

(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 there was no specific event/action which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004H000297200

Date: 7th May, 2026
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
Employee's State Insurance Act, 1948
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
The Payment of Bonus Act, 1965
The Payment of Gratuity Act, 1972
The Contract Labour (Regulation and Abolition) Act, 1970
The Maternity Benefit Act, 1961
The Child Labour (Prohibition and Regulation) Act, 1986
The Industrial Employment (Standing Orders) Act, 1946
The Apprentices Act, 1961
Equal Remuneration Act, 1976
The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
New Labour Codes, as applicable

List of Environmental Laws

The Environment (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
Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
The Plastic Waste Management (Amendment) Rules, 2022

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: F002004H000297200

Date: 7th May, 2026
Place: Ludhiana

Annexure –II

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

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 2025-26 are as under:

S. 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. Suresh Kumar	Chairman, Independent, Non-Executive Director	3	3
2.	Mrs. Suchita Jain	Member, Non-Independent, Executive Director	3	3
3.	Mr. Neeraj Jain	Member, Non-Independent, Executive Director	3	3
4.	Mr. Sachit Jain	Member, Non-Independent, Non-Executive Director	3	1

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.vardhman.com/Document/Report/Company%20Information/Board/Vardhman%20Textiles%20Ltd/List_of_Committee_of_Directors.pdf

   Link of Policy: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf

   Link of CSR Projects: https://www.vardhman.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.**

   https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Textiles%20Ltd/CSR_Impact_Assessment_Report_2025-26.pdf

5. (a) **Average net profit of the Company as per sub-section (5) of Section 135:-** ₹86,755.23 lac
   (b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹1,735.10 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)]:** ₹1,735.10 lac

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹910.86 lac
   (b) **Amount spent in Administrative Overheads:** ₹47.02 lac
   (c) **Amount spent on Impact Assessment, if applicable:** 9.62 lacs
   (d) **Total amount spent for the Financial Year [(a) + (b) + (c)]:** ₹967.50 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
967.50	767.60	29-04-2026	-	-	-

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

S. No.	Particulars	Amount (₹ In lac)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	1,735.10
(ii)	Total amount spent for the financial year	967.50
(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:**

S. 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	2022-23	1,535.36	493.37	624.87*	-	-	-	-
2	2023-24	1,671.17	1,225.32	679.85	-	-	545.47	-
3	2024-25	1,877.77	1,877.77	606.01	-	-	1,271.76	-

* The Company has spent an amount of ₹624.87 lac against an amount of ₹493.37 lac to be spent from FY 2022-23. This excess amount of ₹131.50 lac pertains to interest income which 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: **NIL**

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

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code 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 ₹767.60 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 2028-29.

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 increase in global average temperature warming to below 2 degrees celsius. India has submitted its Intended Nationally Determined Contributions (INDC) with plan, policies, measures, actions etc. to combat climatic change.

Vardhman 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 172.71 lac kWH units of electricity thereby making a savings of ₹1,244.78 lac during the financial year 2025-26.

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 and Biomass projects.

The Company has installed Solar projects - Ground & Rooftop of around 70 MWp in its Units to convert conventional power to Green energy under the Sustainability Aspect – 'Avoidance of the depletion of Natural Resources to maintain an Ecological Balance.'

Further, the Company has already taken steps to set-up various projects under its renewable energy initiatives. On the completion of these projects, total green power of the Company will be 89.15 MW. These projects will be implemented in phases and are expected to be fully commissioned by FY 2027-28. Post commissioning of these projects, the Company would be able to achieve green power of more than 60% of its average demand.

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Apart from installation of solar plants, the Company has incurred ₹2,564.87 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	(2025-26)	(2024-25)
Capital	2.79	5.36
Recurring	3.14	2.79
Total	**5.93**	**8.15**
Total R & D expenditure as a Percentage of Turnover	0.06%	0.09%

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. Our total exports for the financial year 2025-26 are 41.85% approx.
- We are increasing our emphasis on the sale of environment friendly yarn & fabric and boosting sales to direct brands.
- Our exports have reached more than 60 countries during FY 2025-26.

Total Foreign Exchange earned and used:

(₹ in crore)

Particulars	2025-26	2024-25
a) Earnings (FOB value of Exports, commission earned)	3,986.44	4,028.00
b) Outgo (CIF value of Imports and expenditure in foreign currency)	2,837.98	2,096.79

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 2025-26 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 are as under:

S. NO.	NAME OF DIRECTOR/ KMP AND DESIGNATION	REMUNERATION FOR DIRECTORS/ KMP FOR FINANCIAL YEAR 2025-26 (Amount in ₹)	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR 2025-26	RATIO OF REMUNERATION OF EACH DIRECTOR/ KMP TO MEDIAN REMUNERATION OF EMPLOYEES
1.	S.P. Oswal Chairman & Managing Director	22,03,60,229	-3.26	421.27
2.	Suchita Jain Vice- Chairperson & Joint Managing Director	3,52,01,062	2.65	67.30
3.	Neeraj Jain Joint Managing Director	3,92,26,116	4.38	74.99
4.	Sachit Jain Non- Executive Non- Independent Director	-	-	-
5.	Sagrika Vir Executive Director	1,80,32,449	57.47	34.47
6.	Soumya Jain* Non- Executive Non- Independent Director	-	-	-
7.	Suresh Kumar Non-Executive Independent Director	8,65,000	-0.57	1.65
8.	Atul Khosla Non-Executive Independent Director	4,95,000	22.22	0.95
9.	Harpreet Kaur Kang Non-Executive Independent Director	7,05,000	6.82	1.35
10.	Udeypaul Singh Gill Non-Executive Independent Director	7,45,000	-1.32	1.42
11.	Prem Kumar Non-Executive Independent Director	4,15,000	0	0.79
12.	Arvind Sahay* Non- Executive Independent Director	3,40,000	N.A.	0.65
13.	Rajeev Thapar Chief Financial Officer	1,17,78,070	3.45	22.52
14.	Sanjay Gupta Company Secretary	31,35,841	10.68	5.99

*Mrs. Soumya Jain and Dr. Arvind Sahay were appointed as Directors of the Company w.e.f. 03.05.2025.

2. The median remuneration of employees of the Company during the financial year was ₹5,23,085.
3. In the financial year, there was an increase of 6.85% in the median remuneration of employees.
4. There were 24,097 permanent employees on the rolls of Company as on March 31, 2026.
5. Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year 2025-26 was 7.52% whereas the increase in the managerial remuneration for the same financial year was 0.74%.
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 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 -

S. 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	2,203.60	M. Com	84	59	08.10.1973	Chairman & Managing Director (Vardhman Spinning and General Mills Limited)
2.	Mr. Neeraj Jain	Joint Managing Director	392.26	B. Com, CA	59	35	31.03.2010	N.A.
3.	Mrs. Suchita Jain	Vice-Chairperson & Joint Managing Director	352.01	M. Com	58	33	29.01.2010	N.A.
4.	Mrs. Sagrika Vir	Executive Director	180.32	B.Sc. (Eco. & Finance Honours), MBA	31	8	06.08.2022	Arpwood Capital Private Limited
5.	Mr. Mukesh Saxena	Chief General Manager (Operations) & Unit Head	130.85	B. Tech (Textiles)	64	44	01.02.2007	Indorama Synthetics India Limited
6.	Mr. Sushil Kumar Jhamb	Director (Raw Material Procurement)	127.80	B.Com, CA	71	48	01.06.2017	Vardhman Yarns and Threads Limited
7.	Mr. Rajeev Thapar	Chief Financial Officer	117.78	B.Com (Hons.) & CA	58	36	01.06.1990	SC Vasudeva & Co.
8.	Mr. Mukesh Bansal	Executive Vice-President (Head-Fabric Sales & Marketing)	112.54	MBA,CS	51	31	21.08.1995	VMT Spinning Co. Limited
9.	Mr. Parveen Dhingra	Chief General Manager (Operations) & Unit Head	109.79	B. Text.	60	37	27.09.1993	Deepak Spinners Limited
10.	Mr. Harsh Mani Tripathi	Chief General Manager (Operations) & Unit Head	108.20	B.Tech.	55	34	27.07.2011	Isparta Mensucat, Turkey
11.	Mr. Indermohanjit Singh Sidhu	President & Director In-Charge (Baddi Location)	103.71	B. Text.	77	55	03.03.1981	Shree Bhawani Cotton Mills

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

S. 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. Tara Chand Gupta	Director (MP Location)	96.78	B.Tech (Textiles)	65	44	24.05.1993	Modern Syntex 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 31.03.2026

1, S.P. Oswal, 84, Chairman & Managing Director, 2,203.60, Regular, M.Com, 59, 08.10.1973, Vardhman Spinning and General Mills Limited, 29,87,955. 2, Neeraj Jain, 59, Joint Managing Director, 392.26, Regular, B.Com & CA, 35, 31.03.2010, N.A., 2,300. 3, Suchita Jain, 58, Vice-Chairperson & Joint Managing Director, 352.01, Regular, M.Com, 33, 29.01.2010, N.A., 12,22,120. 4, Sagrika Vir, 31, Executive Director, 180.32, Regular, B.Sc. (Eco. & Fin. Hons.) & MBA, 8, 06.08.2022, Arpwood Capital Private Limited, 34,925. 5, Mukesh Saxena, 64, Chief General Manager (Operations) & Unit Head, 130.85, Regular, B. Tech (Textiles), 44, 01.02.2007, Indorama Synthetics India Limited, 6,000. 6, Sushil Kumar Jhamb, 71, Director (Raw Material Procurement), 127.80, Regular, B.Com & CA, 48, 01.06.2017, Vardhman Yarns and Threads Limited, 8250. 7, Rajeev Thapar, 58, Chief Financial Officer, 117.78, Regular, B.Com (Hons.) & CA, 36, 01.06.1990, SC Vasudeva & Co., 3,550. 8, Mukesh Bansal, 51, Executive Vice-President (Head – Fabric Sales & Marketing), 112.54, Regular, MBA & CS, 31, 21.08.1995, VMT Spinning Co. Limited, 10,000. 9, Parveen Dhingra, 60, Chief General Manager (Operations) & Unit Head, 109.79, Regular, B.Text., 37, 27.09.1993, Deepak Spinners Limited, 28,745. 10, Harsh Mani Tripathi, 55, Chief General Manager (Operations) & Unit Head, 108.20, Regular, B. Tech, 34, 27.07.2011, Isparta Mensucat, Turkey, 100.

Note: Except Mr. S.P. Oswal, Mrs. Suchita Jain and Mrs. Sagrika Vir, 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. i. Composition as on 31st March, 2026

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 Vir- Executive Director # Sachit Jain- Non-Executive Director # Soumya Jain- Non-Executive Director
Executive Non-Independent Director	Neeraj Jain- Joint Managing Director
Independent Directors	Suresh Kumar Udeypaul Singh Gill Harpreet Kaur Kang Atul Khosla Prem Kumar Arvind Sahay

Relationship Inter-se:

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

ii. Board Meetings:

During the financial year 2025-26, the Board met 5 (Five) times on the following dates:

- 3rd May, 2025
- 2nd June, 2025
- 22nd July, 2025
- 23rd October, 2025
- 21st January, 2026

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	5	No	5	Vardhman Acrylics Limited Vardhman Holdings Limited	Non-Executive Director Executive Director	3	2	3
Suchita Jain	5	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	4	Yes	4	-	-	-	-	-
Sagrika Vir	5	No	-	-	-	-	-	-
Sachit Jain	5	No	8	Vardhman Holdings Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Non-Executive Director Executive Director Non-Executive Director	1	1	-
Suresh Kumar	5	Yes	3	UPL Limited	Non-Executive Director	1	-	-
Harpreet Kaur Kang	5	No	1	Sportking India Limited	Non-Executive Director	1	-	-
Udeypaul Singh Gill	5	Yes	-	-	-	-	-	-
Atul Khosla	5	No	-	-	-	-	-	-
Prem Kumar	5	No	2	-	-	-	-	-
Soumya Jain#	5	No	1	Vardhman Special Steels Limited	Executive Director	1	-	-
Arvind Sahay#	4	No	3	IFCI Limited BIRLANU Limited	Non-Executive Director Non-Executive Director	5	-	1

Mrs. Soumya Jain and Dr. Arvind Sahay were appointed as Directors of the Company w.e.f. 03.05.2025.

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 31st March, 2026, are provided as under:

NAME OF COMMITTEE	COMPOSITION	TERMS OF REFERENCE
Audit Committee	Udeypaul Singh Gill (Chairman) Suresh Kumar Harpreet Kaur Kang Sagrika Vir	• 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.
Nomination and Remuneration Committee	Suresh Kumar (Chairman) S.P. Oswal Udeypaul Singh Gill	• 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. • Formulated and recommended Nomination and Remuneration Policy. • The Nomination & 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.
Corporate Social Responsibility Committee	Suresh Kumar (Chairman) Suchita Jain Neeraj Jain Sachit Jain	• 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: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf • Recommends expenditure to be incurred for CSR activities/project and ensures effective monitoring of CSR Policy of the Company from time to time. • The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as **Annexure II**.
Stakeholders' Relationship Committee	Harpreet Kaur Kang (Chairperson) Suchita Jain Sachit Jain	• The Committee reviews and ensures redressal of investor grievances. • The Committee noted that during the year the Company received 5 complaints from the investors and the same have been duly resolved by the Company.
Risk Manangement Committee	Atul Khosla (Chairman) Suchita Jain Neeraj Jain Rajeev Thapar	• The Risk Management Policy of the Company aims to maximise opportunities in all activities and to minimise adversity. • 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. • 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

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
Meetings held	**5**	**3**	**2**	**1**	**2**
S.P. Oswal	N.A.	N.A.	2	N.A.	N.A.
Suchita Jain	N.A.	3	N.A.	1	2
Neeraj Jain	N.A.	3	N.A.	N.A.	2
Sagrika Vir	4	N.A.	N.A.	N.A.	N.A.
Sachit Jain	N.A.	1	N.A.	1	N.A.
Suresh Kumar	5	3	2	N.A.	N.A.
Harpreet Kaur Kang	5	N.A.	N.A.	1	N.A.
Udeypaul Singh Gill	5	N.A.	2	N.A.	N.A.
Atul Khosla	N.A.	N.A.	N.A.	N.A.	2
Prem Kumar	N.A.	N.A.	N.A.	N.A.	N.A.
Soumya Jain	N.A.	N.A.	N.A.	N.A.	N.A.
Arvind Sahay	N.A.	N.A.	N.A.	N.A.	N.A.

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 2025-26 was held on 24th March, 2026 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/Familarisation_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
S.P. Oswal	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Suchita Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Neeraj Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Sagrika Vir	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Sachit Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience

Name of Director	Area of Expertise
Suresh Kumar	Strategic Planning Leadership Administrative Experience
Harpreet Kaur Kang	Strategic Planning Leadership 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
Soumya Jain	Strategic Planning Leadership Industry Experience Administrative Experience
Arvind Sahay	Strategic Planning Leadership Financial Expertise 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 2025-26, is as given below:

(in ₹)

Name	S.P. Oswal	Suchita Jain	Neeraj Jain	Sagrika Vir
Designation	Chairman & Managing Director	Vice-Chairperson & Joint Managing Director	Joint Managing Director	Executive Director
Salary	1,20,00,000	1,14,97,742	1,26,00,000	65,62,016
Perquisites & Allowances	1,00,54,440	78,25,849	95,14,116	41,20,975
Retirement Benefit	14,40,000	13,79,729	15,12,000	7,87,442
Commission	19,68,65,789	-	-	-
Performance Linked Incentive and criteria thereof	-	1,44,97,742	1,56,00,000	65,62,016

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 under the Vardhman Textiles Limited Employee Stock Option Plan 2024 (ESOP Plan 2024). During the year, he was allotted 8,000 shares under ESOP Plan 2024.

ii) Non-Executive Directors:

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

The Non-Executive Directors are paid sitting fees of ₹75,000/- per Board Meeting, ₹50,000/- per Audit Committee Meeting and ₹40,000/- per meeting for any other Committee Meeting.

The detail of sitting fees paid to the Directors during the Financial Year 2025-26 is given hereunder: -

S.No.	Name of Director	Sitting Fee (₹)
1.	Suresh Kumar	8,65,000
2.	Harpreet Kaur Kang	7,05,000
3.	Udeypaul Singh Gill	7,45,000
4.	Atul Khosla	4,95,000
5.	Prem Kumar	4,15,000
6.	Arvind Sahay	3,40,000

5. PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY AS ON 31ST MARCH, 2026:

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

Name of the Senior Management Personnel	Designation
Indermohanjit Singh Sidhu	President & Director In-Charge (Baddi Location)
Sushil Kumar Jhamb	Director (Raw Material Procurement)
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)

Name of the Senior Management Personnel	Designation
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. Tara Chand Gupta has retired from the services of the Company w.e.f. closure of business hours on 30.09.2025. As such, he ceased to be a Senior Management Personnel of the Company.

6. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31ST MARCH, 2026:

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

S.No.	Name of Director	Number of Shares Held
1.	S.P. Oswal	29,87,955
2.	Suchita Jain	12,22,120
3.	Neeraj Jain	2,300
4.	Sagrika Vir	34,925
5.	Soumya Jain	41,015

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
52nd Annual General Meeting for the Financial year ended 31st March, 2025.	Wednesday, 24th September, 2025 at 11:15 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	0
51st Annual General Meeting for the Financial year ended 31st March, 2024.	Thursday, 19th September, 2024 at 11:30 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	2
50th Annual General Meeting for the Financial year ended 31st March, 2023.	Saturday, 30th September, 2023 at 10:00 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1

ii. Postal Ballot:

During the year, the members approved following matters by passing Special/ Ordinary Resolutions through:-

A) Postal ballot ended on 25th June, 2025:

a. To appoint Mr. Arvind Sahay as an Independent Director of the Company (Special Resolution).

b. To appoint Mrs. Soumya Jain as a Non-Executive Director of the Company (Ordinary Resolution).

The Board had appointed M/s. Khanna Ashwani & Associates, Practicing Company Secretaries as Scrutinizer to conduct the Postal Ballot Process by voting through electronic means only, in a fair and transparent manner. The details of the voting pattern are as follows:-

Resolution passed through postal ballot	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
To appoint Mr. Arvind Sahay as an Independent Director of the Company	416	243464269	99.999	12	2732	0.001	-	-
To appoint Mrs. Soumya Jain as a Non-Executive Director of the Company	407	243134445	99.863	26	332556	0.137	-	-

B) Postal ballot ended on 11th March, 2026:

a. To alter the Object Clause of the Memorandum of Association of the Company (Special Resolution).

The Board had appointed M/s. Khanna Ashwani & Associates, Practicing Company Secretaries as Scrutinizer to conduct the Postal Ballot Process by voting through electronic means only, in a fair and transparent manner. The details of the voting pattern are as follows:-

Resolution passed through postal ballot	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
To alter the Object Clause of the Memorandum of Association of the Company.	359	242218511	99.999	12	2276	0.001	-	-

Procedure for Postal Ballot: The Postal Ballots were carried out as per the provisions of sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 3/2022 dated May 5, 2022, 9/2023 dated September 25, 2023, 9/2024 dated September 19, 2024 read with other relevant circulars and General Circular No. 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs.

Further, following resolutions are proposed to be passed through Postal Ballot in the financial year 2026-27:

S.No.	Particulars	Type of resolution
1.	To appoint Mrs. Suchita Jain as the Vice-Chairperson & Managing Director of the Company.	Ordinary Resolution
2.	To appoint Mr. Neeraj Jain as the Managing Director of the Company.	Ordinary Resolution

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

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 ₹31,000/- levied by BSE for non-compliance of some provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, pertaining to listed NCDs (since redeemed), for the financial year 2023-24.

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

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, 2026, there were 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. The details of foreign currency exposure are disclosed in the Note No. 37 to the Financial Statements. Further, as on 31st March, 2026, there is no outstanding derivative contract for hedging commodity price risk.

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_Subsidiaries.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 ₹89.89 lac (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.

GENERAL INFORMATION FOR SHAREHOLDERS

i) 53rd Annual General Meeting:

Date	:	17th September, 2026
Time	:	10:00 a.m.
Venue	:	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

ii) Financial Calendar 2026-27 (Tentative)

First Quarter Results	:	July, 2026
Second Quarter Results	:	October, 2026
Third Quarter Results	:	January, 2027
Annual Results	:	May, 2027

iii) Record Date : 28th August, 2026

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), 1st 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 2017-18 have been transferred to the Investor Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2018-19 is due for remittance in the month of November, 2026 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

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

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. April 1, 2019. Further, in terms of Regulations 39 and 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and SEBI Circular dated January 25, 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 Participant (DP) 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 is effected through the depositories with no involvement of the Company.

To streamline the investment process for investors and safeguard their rights in purchased securities, a special window for re-lodgement of transfer deeds pertaining to physical securities was introduced via SEBI Circular dated July 2, 2025. In a further effort to ensure that investors receive proper access to their securities, SEBI has resolved to open an additional special window specifically for the transfer and dematerialisation ("demat") of physical securities that were bought or sold prior to April 1, 2019. This special window will remain available for one year, commencing on February 5, 2026, and concluding on February 4, 2027. For further details, please refer SEBI Circular HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026, dated January 30, 2026.

Further, SEBI vide its circular dated January 30, 2026 has streamlined the procedure for processing investor service requests by doing away with requirement of issuance of Letter of Confirmation ('LOC') and mandating direct credit of securities in demat account of the investor. Under the revised framework, RTA shall directly credit securities to the demat account of the investor, after carrying out necessary due diligence. This will reduce the timeline for credit of securities from approximately 150 days to 30 days, while also mitigating risks associated with loss or pilferage of LOC. As such, investor requests must now be accompanied by a latest Client Master List (CML) of the demat account, not older than two months and duly attested by the Depository Participant. The revised framework has come into force from April 2, 2026. Any LOC issued prior to this date will continue to be used by investors for dematerialisation within the prescribed timelines.

ix) Distribution of Shareholding as on 31st March, 2026:

RANGE No. of Shares	SHAREHOLDERS		SHARES	
	Numbers of Total Holders	**% to Total Holders**	**Numbers of Shares Held**	**% to Total Shares**
Upto-500	75,376	85.53	86,83,636	3.00
501-1000	7,955	9.03	54,60,171	1.89
1001-2000	2,675	3.04	37,66,666	1.30
2001-3000	783	0.89	19,54,761	0.68
3001-4000	304	0.34	10,77,288	0.37
4001-5000	225	0.25	10,26,329	0.35
5001-10000	375	0.43	26,20,301	0.91
10001- above	436	0.49	26,46,92,648	91.50
Total	**88,129**	**100.00**	**28,92,81,800**	**100.00**

x) Dematerialization of shares:

As on 31st March, 2026, 99.51% of the capital comprising 28,78,80,965 shares, out of total of 28,92,81,800 shares, were dematerialized.

xi) Vardhman Textiles Limited Employee Stock Option Plan 2024:

The Company has granted options to its employees under Vardhman Textiles Limited Employee Stock Option Plan, 2024 (hereinafter referred as ESOP Plan). One Option entitles the holder to apply for one equity share of the Company in terms of the ESOP Plan. During the financial year 2025-26, 1,07,000 equity shares were allotted to the eligible employees. So, the paid-up equity share capital of the Company stood increased to ₹57,85,63,600 as on 31st March, 2026.

xii) List of Credit Ratings:

The Company has obtained Credit Ratings from CRISIL Limited and India Ratings and Research Private Limited during the financial year 2025-26. There has been no revision in the Credit Ratings during the financial year 2025-26. List of all Credit Ratings obtained by the Company during the year is as follows:

Particulars	Rating during FY 2025-26
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 Yarns,
Satlapur,
Distt. Raisen (M.P.) - 462 046

xiv) Address for correspondence:

Registered office	:	Chandigarh Road, Ludhiana-141010
Tel	:	0161-2228943-48
E-mail	:	secretarial.lud@vardhman.com (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 31st March, 2026.

Place: Ludhiana
Dated: 7th May, 2026

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: 7th May, 2026

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:

S.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	Mrs. Sagrika Vir
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
11.	03218334	Dr. Arvind Sahay
12.	10254459	Mrs. Soumya Jain

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: F002004H000297079

Date: 7th May, 2026
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 31st March, 2026 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 31st March, 2026 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: F002004H000297112

Date: 7th May, 2026
Place: Ludhiana

FINANCIAL STATEMENTS

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, 2026, 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, 2026, and its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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	**Uncertain income-tax positions - Refer to Notes 2.15, 2.19.1.4, 2.19.1.5, 38(a) and 39 to the standalone financial statement** 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. Given the materiality of the amount involved and the judgment involved, this matter was considered to be a Key Audit Matter	**Principal audit procedures performed included the following:** • 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. • We obtained details of complete income tax matters from the Company's internal tax experts during the year ended March 31, 2026. • 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. • Assessed the adequacy of the disclosures made in the financial statements.
2	**Property, Plant & Equipment and Capital work-in-progress –** **(Refer Note 2.10, 2.19.1.2, 3A and 56)** During the year, the Company undertook significant modernisation and up-gradation initiatives across its manufacturing facilities resulting significant additions to Property, Plant and Equipment and Capital Work-in-Progress. The recognition and measurement of such expenditure involve significant management judgment, particularly in determining whether costs incurred qualify for capitalisation under Ind AS 16, the identification of the date when the assets are available for their intended use, and the assessment of appropriate depreciation commencement date. Given the materiality of the capital expenditure and the judgment involved, this matter was considered to be a Key Audit Matter.	**Principal audit procedures performed included the following:** • Obtained an understanding of the modernisation and up-gradation projects and performed design, implementation and operating effectiveness of key internal controls over approval, and review of capitalisation of Property, plant and equipment including capital expenditure; • Evaluated the Company's accounting policies relating to capitalisation of property, plant and equipment and assessed their compliance with the requirements of Ind AS 16; • Performed substantive testing on sample basis of capitalised costs by: - verifying underlying supporting documents such as vendor invoices, purchase orders, contracts, goods receipt notes etc; - assessing whether the costs capitalised were directly attributable to bringing the assets to the location and condition necessary for their intended use; • Physically verified, on a sample basis, newly capitalised assets to confirm their existence; • Assessed the reasonableness of the useful lives considered on test check basis and tested the accuracy of depreciation calculations; • Assessed the adequacy and appropriateness of the related disclosure in the standalone financial statement.

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 is 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:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of cash flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone 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 as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls 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.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 38 (a) to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 38(e) (iii) to the standalone financial statements.

      iii. 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.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 57(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.

      (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 57(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures 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.

v. 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 57(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.

vi. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2026 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). Further, during the course of audit, we did not come across any instances of audit trail feature being tempered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 51 to the standalone financial statements.

2. 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)
(Membership No. 507230)
(UDIN:26507230IWLGBI4332)

Place: Noida
Date: May 07, 2026

ANNEXURE "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) 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, 2026 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.

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, 2026, 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: 26507230IWLGBI4332)

Place: Noida
Date: May 07, 2026

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, 2026 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 made investment during the year. The Company has not 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:	3.84
B. Balance outstanding as at balance sheet date with Employees	2.43

(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, 2026 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, 2026 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 Act	Excise Duty	CESTAT	FY 2008-11	0.67	0.02	0.65
		Up-to Commissioner (Appeals)	FY 2011-12 to FY 2013-14, FY 2017-18, FY 2018-19	0.55	-	0.55
		High Court	FY 2016-17, FY 2017-18, FY 2020-21	3.77	0.19	3.58
Service Tax Act	Service Tax	CESTAT	FY 2008-09	0.11	-	0.11
Sales Tax Act	Central Sales Tax	Appellate Board	FY 2009-10	0.06	-	0.06
		Up-to Commissioner (Appeals)	FY 2014-15 to FY 2017-18	0.07	0.02	0.05
Goods and Service Tax Act	Goods and Service Tax	Up-to Commissioner (Appeals)	FY 2017-18 to FY 2020-21	1.33	1.27	0.06
Provident Fund	Provident Fund	High Court	FY 2015-16	0.27	0.11	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	0.70
Land Acquisition Act	Enhancement of compensation for Industrial Land	Collector Land Acquisition	FY 1991-92	0.86	-	0.86
Water (Prevention and control of pollution) act, 1974	National Green Tribunal	High Court	FY 2020-21	1.38	-	1.38
Income tax Act	Income tax	CIT(A)	AY 2016-17 to AY 2018-19, AY 2020-21 & AY 2024-25	310.34	227.92	82.42

*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 Act	Income Tax	High Court	AY 2001-02 to AY 2005-06, AY 2009-10 to 2011-12, AY 2013-14 to AY 2015-16	176.36

** 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 ₹128.50 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, 2026.

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

Kanav Kumar
(Partner)
(Membership No. 507230)
(UDIN -26507230IWLGBI4332)

Place: Noida
Date: May 07, 2026

Standalone Balance Sheet

as at March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	5,016.23	4,074.92
(b) Right-of-Use Asset	44	7.93	8.07
(c) Capital work-in-progress	3A	586.06	251.80
(d) Intangible assets	3B	7.37	7.37
(e) Financial assets			
(i) Investments	4	663.23	1,157.95
(ii) Loans	5	0.91	1.21
(iii) Others financial assets	6	54.94	62.36
(f) Income tax asset (net)	14	91.71	76.84
(g) Other non-current assets	7	239.45	202.08
Total Non-current assets		**6,667.83**	**5,842.60**
Current assets			
(a) Inventories	8	3,581.90	3,681.80
(b) Financial assets			
(i) Investments	9	802.65	318.49
(ii) Trade receivables	10	1,294.99	1,288.80
(iii) Cash and cash equivalents	11	39.75	52.11
(iv) Bank balances other than above	11A	37.36	32.63
(v) Loans	12	1.52	2.08
(vi) Other financial assets	13	65.46	116.56
(c) Other current assets	15	851.18	564.75
(d) Assets held-for-sale	15A	0.46	-
Total Current assets		**6,675.27**	**6,057.22**
TOTAL ASSETS		**13,343.10**	**11,899.82**
Equity and Liabilities			
Equity			
(a) Equity share capital	16	57.85	57.83
(b) Other equity	17	10,129.88	9,520.01
Total Equity		**10,187.73**	**9,577.84**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,230.78	748.99
(ii) Lease Liability	19A	0.20	0.19
(iii) Other financial liabilities	19	2.93	0.53
(b) Provisions	20	18.28	18.97
(c) Deferred tax liabilities (Net)	21	291.91	278.75
(d) Other non-current liabilities	22	10.58	11.68
Total Non-current liabilities		**1,554.68**	**1,059.11**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	624.17	488.91
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		50.45	48.81
(b) total outstanding dues of trade payable other than micro enterprises and small enterprises		397.91	380.80
(iii) Other financial liabilities	25	411.35	240.11
(b) Other current liabilities	26	96.14	79.60
(c) Provisions	27	7.01	4.56
(d) Income tax liabilities (net)	14	13.66	20.08
Total Current liabilities		**1,600.69**	**1,262.87**
TOTAL EQUITY AND LIABILITIES		**13,343.10**	**11,899.82**
See accompanying notes to the standalone financial statements	1 - 58		

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 Managing Director
DIN:00746471

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

Place : Noida
Date: May 07, 2026

Place : Ludhiana
Date: May 07, 2026

Statement of Profit and Loss

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31 ,2026	For the Year ended March 31 ,2025
I	Revenue from operations	28	9,652.33	9,587.21
II	Other income	29	275.42	367.47
III	**Total Income (I+II)**		**9,927.75**	**9,954.68**
IV	Expenses :			
	Cost of materials consumed	30	5,266.66	5,319.01
	Purchases of stock-in-trade	31	26.39	4.85
	Changes in inventories of finished goods,work-in- progress and stock-in-trade	32	37.79	(36.17)
	Employee benefits expense	33	908.83	867.79
	Finance costs	34	92.35	77.02
	Depreciation and amortization	3A, 3B & 44	461.64	397.92
	Other expenses	35	2,193.71	2,174.57
	Total Expenses		**8,987.37**	**8,804.99**
V	**Profit before tax (III-IV)**		**940.38**	**1,149.69**
VI	**Tax expense:**	36		
	Current tax		187.29	240.69
	Deferred tax		13.07	29.93
VII	**Profit for the year (V-VI)**		**740.02**	**879.07**
VIII	**Other Comprehensive Income**	17		
	A Items that will not be reclassified to profit or loss			
	(a) (i) Remeasurements of the defined benefit plans		4.99	1.03
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.26)	(0.26)
	(b) (i) Equity instruments through other comprehensive income		0.34	0.28
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.09)	(0.07)
IX	**Total other comprehensive income**		**3.98**	**0.98**
X	**Total comprehensive income for the year (VII+IX)**		**744.00**	**880.05**
	Earnings per equity share (amount in ₹)	**42**		
	(1) Basic		25.58	30.40
	(2) Diluted		25.58	30.40
	See accompanying notes to the standalone financial statements	1 - 58		

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 Managing Director
DIN:00746471

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

Place : Noida
Date: May 07, 2026

Place : Ludhiana
Date: May 07, 2026

Statement of Cash Flow

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	940.38	1,149.69
Adjustments for:		
Interest Expense	76.26	58.79
Gain on fair valuation of Investments (Net)	(70.36)	(91.24)
Subsidy from Government	(1.38)	(1.55)
Interest income	(13.81)	(36.73)
Dividend on investments	(67.25)	(50.54)
Net gain on sale / discarding of property, plant and equipment	(37.31)	(44.17)
(Profit)/Loss on sale of Investments (Net)	(10.83)	(40.94)
Provision no longer required written back (net)	(2.90)	(3.36)
Assets written off	3.66	1.82
Bad debt written off	2.36	9.95
Allowances for doubtful trade receivables and advances written back (net)	5.50	0.61
Depreciation and amortisation	461.64	397.92
ESOP provision created	5.94	8.52
Derivative Financial Instruments	123.73	2.48
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(8.55)	(93.98)
Inventories	99.90	425.16
Loans	0.86	0.31
Other assets (Current)	(286.42)	20.50
Others financial assets (Current)	51.59	2.60
Others financial assets (Non Current)	2.18	18.48
Other assets (Non-current)	(3.88)	(6.17)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	21.65	115.57
Provisions (Current and Non-Current)	1.76	2.44
Others financial liabilities (Current)	(7.17)	3.02
Others financial liabilities (Non-Current)	2.40	(0.10)
Other liabilities (Non-current)	(0.08)	(0.12)
Other liabilities (Current)	21.82	5.00
Cash generated from/(used in) operations	**1,311.69**	**1,853.96**
Income taxes paid (net of refund received)	(209.88)	(235.25)
Net cash generated from/(used in) operating activities	**1,101.81**	**1,618.71**

Statement of Cash Flow (Contd.)

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Investments	141.83	57.27
Purchase of current investments (net)	(49.74)	(39.38)
Interest Received	11.38	13.65
Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(1,732.45)	(1,028.68)
Bank balances not considered as cash and cash equivalents	(3.06)	12.66
Proceeds from disposal of property, plant and equipment	51.19	63.91
Dividend received from subsidiaries and associates	64.95	50.54
Dividend received from others	2.30	
Net cash generated from/ (used in) investing activities	**(1,513.60)**	**(870.03)**
C CASH FLOW FROM FINANCING ACTIVITIES*		
Proceeds from equity share capital/share application	4.55	-
Proceeds from borrowings (non-current)	661.26	421.13
Repayment of borrowings (non-current)	(83.31)	(538.81)
Proceeds/Repayment of borrowings (current) (net)	39.10	(434.46)
Dividends on equity share capital paid	(144.54)	(115.59)
Interest Expense	(77.63)	(61.84)
Net cash generated from/(used in) financing activities	**399.43**	**(729.57)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(12.36)**	**19.11**
Cash and cash equivalents at the beginning of the year	52.11	33.00
Cash and cash equivalents at the end of the year	**39.75**	**52.11**

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

See accompanying notes to the standalone financial statements 1 - 58

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 Managing Director
DIN:00746471

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

Place : Noida
Date: May 07, 2026

Place : Ludhiana
Date: May 07, 2026

Statement of Changes in Equity

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 01, 2024	57.83
Issue of equity shares under employee stock option plan (Refer note 45)	-
Balance as at March 31, 2025	**57.83**
Issue of equity shares under employee stock option plan (Refer note 45)	0.02
Balance as at March 31, 2026	**57.85**

b. Other equity*

Particulars	Share application money pending allotment	Reserves and Surplus						Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance at April 1, 2024		**1.64**	**12.26**	**52.58**	**-**	**1,461.79**	**7,217.28**	**1.58**	**8,747.13**
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**
Final Equity Dividend for the financial year 2023-24 (Amount ₹4 per share)	-	-	-	-	-	-	(115.69)	-	**(115.69)**
ESOP provision created	-	-	-	-	8.52	-	-	-	8.52
Balance as at March 31, 2025	**-**	**1.64**	**12.26**	**52.58**	**8.52**	**1,461.79**	**7,981.43**	**1.79**	**9,520.01**

Statement of Changes in Equity (Contd.)

for the year ended March 31, 2026 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	Capital redemption reserve	Security premium	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Profit for the year	-	-	-	-	-	-	740.02	-	740.02
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	3.73	0.25	3.98
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**743.75**	**0.25**	**744.00**
Final Equity Dividend for the financial year 2024-25 (Amount ₹5 per share)	-	-	-	-	-	-	(144.60)	-	(144.60)
ESOP provision created	-	-	-	-	5.94	-	-	-	5.94
Share Application Money received under employee stock options.	4.55	-	-	-	-	-	-	-	4.55
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(4.55)	-	-	4.53	-	-	-	-	(0.02)
Transfer to retained earnings on lapse of stock options	-	-	-	-	(1.24)	-	1.24	-	-
Security Premium on exercise of stock options	-	-	-	0.75	(0.75)	-	-	-	-
Balance as at March 31, 2026	**-**	**1.64**	**12.26**	**57.86**	**12.47**	**1,461.79**	**8,581.82**	**2.04**	**10,129.88**

* Also refer Note 17

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kanav Kumar
Partner

Place : Noida
Date: May 07, 2026

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 Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 07, 2026

Notes to Standalone Financial Statements for the year ended March 31, 2026

(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 is presently governed by the Companies Act, 2013. It 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. at National Stock Exchange of India Limited(NSE) and BSE Limited (formerly the Bombay Stock Exchange). The financial statements were approved for issue in accordance with a resolution of directors on May 7, 2026.

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.

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.

Going Concern

The directors have, at the time of approving the standalone financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has applied the going concern basis of accounting in preparing the standalone financial statements.

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 or fulfillment 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. Performance obligation is satisfied or fulfilled at the time of dispatch or delivery of goods depending upon the terms agreed with the customer.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 towards 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.

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 (i.e. only the passage of time is required before payment of the consideration is due). 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 asset 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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. 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 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

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 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:

a. its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

b. any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

c. 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.

Depreciation is provided on Straight Line Method less the residual value over the useful lives estimated by the management of such assets after considering the useful life 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.

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.

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

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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).

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 on 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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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):

a. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

b. 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):

a. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

b. 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.

Financial instrument in the form of an investment in subsidiaries or associates are measured at cost in standalone financial statements in accordance with Ind AS 27 - Separate financial statements.

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:

a. it has been acquired principally for the purpose of selling it in the near term; or

b. 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

c. 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

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(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.

2.16.2 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 and 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:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. 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

c. 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:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b. 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

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

c. 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.

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 unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.16.4 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 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.

2.16.5 Cash and Cash Equivalent

In Balance sheet, cash and cash equivalent is comprised of cash (i.e. cash on hand & on demand deposits) and cash equivalents (generally with original maturity of 3 months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to insignificant risk of change in value.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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. Non 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),
- 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

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026 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.

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.

Tax provision contains provision related to the management's assessment of amount of tax payable on open tax matters where liability is under the dispute with adjudicating authorities.

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 Expected Credit Loss

The measurement of expected credit losses is a function of probability of default, loss given default (i.e. magnitude of loss on default) and the exposure at default. The assessment of expected credit loss performed by the management for

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

financial assets is based upon the estimation of difference between all contractual cash flows and all cash flows that the company expects to receive, after considering the original effective interest rate. While making the assessment the Company also considers history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

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, 2026, 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, 2026. Refer Note 6 and 13.

2.20 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. MCA has not notified any new standards or amendment to the existing standards applicable to the company as at March 31, 2026. Further, Ind As 118, Presentation and Disclosure in Financial Statements, has been issued by ICAI and is effective for annual periods beginning on or after April 1, 2027. The Company is evaluating the impact of the Standard on its financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Net carrying amount of		
Freehold land	124.74	124.03
Buildings	1,185.79	1,095.85
Plant and equipment	3,654.06	2,810.98
Furniture and fixtures	18.19	16.65
Vehicles	12.86	10.86
Office equipment	20.59	16.55
Total Property, plant and equipment	**5,016.23**	**4,074.92**
Capital work-in-progress	586.06	251.80
	5,602.29	**4,326.72**

Gross carrying amount	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
As at April 01, 2024	**122.18**	**1,398.67**	**4,957.11**	**27.15**	**20.89**	**71.83**	**6,597.83**
Addition	3.48	64.02	715.93	5.07	2.22	6.04	**796.76**
Disposal/Adjustments	(1.63)	(1.08)	(62.20)	(0.25)	(2.54)	(1.19)	**(68.89)**
As at March 31, 2025	**124.03**	**1,461.61**	**5,610.84**	**31.97**	**20.57**	**76.68**	**7,325.70**
Addition	**0.71**	**142.31**	**1,251.99**	**4.33**	**4.65**	**11.56**	**1,415.55**
Disposal/Adjustments	**-**	**(5.10)**	**(56.50)**	**(0.05)**	**(2.12)**	**(1.74)**	**(65.51)**
As at March 31, 2026	**124.74**	**1,598.82**	**6,806.33**	**36.25**	**23.10**	**86.50**	**8,675.74**
Accumulated depreciation							
As at April 01, 2024	**-**	**319.47**	**2,507.08**	**13.01**	**9.69**	**55.23**	**2,904.48**
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)**
As at March 31, 2025	**-**	**365.76**	**2,799.86**	**15.32**	**9.71**	**60.13**	**3,250.78**
Depreciation	-	47.91	396.32	2.78	1.93	7.39	**456.33**
Disposal/Adjustments	-	(0.64)	(43.91)	(0.04)	(1.40)	(1.61)	**(47.60)**
As at March 31, 2026	**-**	**413.03**	**3,152.27**	**18.06**	**10.24**	**65.91**	**3,659.51**
Net carrying amount							
As at April 01, 2024	**122.18**	**1,079.20**	**2,450.03**	**14.14**	**11.20**	**16.60**	**3,693.35**
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)**
As at March 31, 2025	**124.03**	**1,095.85**	**2,810.98**	**16.65**	**10.86**	**16.55**	**4,074.92**
Addition	0.71	142.31	1,251.99	4.33	4.65	11.56	**1,415.55**
Disposal/Adjustments	-	(4.46)	(12.59)	(0.01)	(0.72)	(0.13)	**(17.91)**
Depreciation	-	(47.91)	(396.32)	(2.78)	(1.93)	(7.39)	**(456.33)**
As at March 31, 2026	**124.74**	**1,185.79**	**3,654.06**	**18.19**	**12.86**	**20.59**	**5,016.23**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Notes on property, plant and equipment

1 Refer to note 18 (a) for information on property, plant and equipment pledged as security by the Company.

2 The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹52.35 Crores (FY 24-25 ₹76.62 Crores) (related to non cenvatable portion of total duty saved) for financial year 2025-26, such benefit is related to Property, Plant and Equipment and Capital work in progress.

3 The Company has used the option to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

4 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 transferor 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.

5 **Capital-work-in progress (CWIP):**

Particulars	Amount
As at April 01, 2024	**60.78**
Additions	987.78
Transfer to Property, plant and equipment	(796.76)
As at March 31, 2025	**251.80**
Additions	1,749.81
Transfer to Property, plant and equipment	(1,415.55)
As at March 31, 2026	**586.06**

6 **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, 2026	546.04	38.17	0.93	0.92	586.06
As at March 31, 2025	245.29	4.64	0.22	1.65	251.80

7 There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended as at March 31, 2026 and March 31, 2025.

8 During the previous year a portion of land amounting to ₹1.40 crores and ₹0.22 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.

9 For detail of expense capitalised during trial run refer note 56

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

3B Intangible assets

Particulars	As at March 31, 2026	As at March 31, 2025
Net Carrying amount of		
Computer Softwares	2.71	1.75
Contribution to Common Effluent Treatment Plant (CETP)	-	-
Right to use power lines	4.66	5.62
	7.37	**7.37**

Gross carrying amount	Computer Softwares	Contribution to Common Effluent Treatment Plant (CETP)	Right to use power lines	Total
As at April 01, 2024	**16.27**	**0.64**	**12.41**	**29.32**
Addition	0.45	-	-	**0.45**
Disposal/Adjustments	(0.08)	-	-	**(0.08)**
As at March 31, 2025	**16.64**	**0.64**	**12.41**	**29.69**
Addition	1.89	-	3.29	**5.18**
Disposal/Adjustments	-	-	-	**-**
As at March 31, 2026	**18.53**	**0.64**	**15.70**	**34.87**
Accumulated amortisation				
As at April 01, 2024	**14.28**	**0.64**	**5.22**	**20.14**
Amortisation expenses	0.69	-	1.57	**2.26**
Disposal/Adjustments	(0.08)	-	-	**(0.08)**
As at March 31, 2025	**14.89**	**0.64**	**6.79**	**22.32**
Amortisation expenses	0.93	-	4.25	**5.18**
Disposal/Adjustments	-	-	-	**-**
As at March 31, 2026	**15.82**	**0.64**	**11.04**	**27.50**
Net Carrying amount				
As at April 01, 2024	**1.99**	**-**	**7.19**	**9.18**
Addition	0.45	-	-	**0.45**
Disposal/Adjustments	-	-	-	**-**
Amortisation expenses	(0.69)	-	(1.57)	**(2.26)**
As at March 31, 2025	**1.75**	**-**	**5.62**	**7.37**
Addition	1.89	-	3.29	**5.18**
Disposal/ Adjustments	-	-	-	-
Amortisation expenses	(0.93)	-	(4.25)	(5.18)
As at March 31, 2026	**2.71**	**-**	**4.66**	**7.37**

Note: These intangible assets are not internally generated

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

4 Investments (Non Current)*

	Particulars	As at March 31, 2026	As at March 31, 2025
I.	**TRADE INVESTMENTS (at cost/carrying value)**		
a.	**Financial assets carried at cost**		
	Investment in equity instruments		
(i)	**Investment in subsidiaries (quoted)**		
	5,68,51,144 (March 31, 2025: 5,68,51,144) Equity shares of ₹10 each fully paid up of Vardhman Acrylics Limited	53.15	53.15
(ii)	**Investment in wholly owned subsidiary (unquoted)**		
	40,00,000 (March 31, 2025: 40,00,000) Equity shares of ₹10 each fully paid up of VTL Investments Limited	4.04	4.04
(iii)	**Investment in Associates**		
	Quoted		
	1,94,16,666 (March 31, 2025: 1,94,16,666) Equity shares of ₹10 each fully paid up of Vardhman Special Steels Limited	25.24	25.24
	Unquoted		
	62,69,699 (March 31, 2025: 62,69,699) Equity shares of ₹10 each fully paid up of Vardhman Yarns & Threads Limited	27.50	27.50
	25,000 (March 31, 2025 : 25,000) Equity shares of ₹10 each fully paid-up of Vardhman Spinning and General Mills Limited	0.03	0.03
b.	**Financial assets measured at fair value through Profit or Loss**		
(i)	**Investment in equity instruments (unquoted)**		
	755 (March 31, 2025: NIL) Equity shares of ₹10 each fully paid up of Renew Green (MPR ONE) Private Limited (Refer Note 54)	16.67	-
	23,161 (March 31, 2025: NIL) Equity shares of ₹10 each fully paid up of Sone Solar Energy One Private Limited (Refer Note 55)	0.02	-
c.	**Financial assets measured at fair value through other comprehensive income**		
(i)	**Investment in equity instruments (unquoted)**		
	41,000 (March 31, 2025: 41,000) Equity-Shares of ₹10 each fully paid-up of Shivalik Solid Waste Management Limited (Section 8 Company)	0.19	0.17
	1,40,625 (March 31, 2025: 1,40,625) Equity shares of ₹10 each fully paid-up of Nimbua Greenfield (Punjab) Limited	2.68	2.36
	2,225 (March 31, 2025: 2,225) Equity shares of ₹10 each fully paid-up of Devakar Investment & Trading Company Private Limited	0.28	0.27
II.	**Other Investments:-**		
(i)	**Financial assets measured at fair value through Profit and loss**		
	Investment in Bonds/ Preference shares/ Debentures/Mutual Funds (quoted)		
**	6,660 (March 31, 2025 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of ₹7,500 each fully paid of IL&FS Financial Services Limited	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	As at March 31, 2026	As at March 31, 2025
**	10,000 (March 31, 2025:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹7,500 each fully paid of Infrastructure Leasing & Financial Services Limited	-	-
	NIL (March 31, 2025: 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
	NIL (March 31, 2025: 2,49,98,750.062) units of ₹10 each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth Plan	-	30.98
	NIL (March 31, 2025: 3,49,98,250.087) units of ₹10 each of Kotak FMP Series 292 - Direct Plan Growth	-	43.40
	NIL (March 31, 2025: 4,99,97,500.120) units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 49 (1,823 Days) - Direct Plan Growth	-	61.89
	NIL (March 31, 2025: 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
	NIL (March 31, 2025: 2,99,98,500.075) units of ₹10 each of SBI FMP Series 42 - 1,857 Days -Direct Plan Growth	-	38.15
	3,49,27,229.892 (March 31, 2025:3,49,27,229.892) 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)	47.43	44.36
	NIL (March 31, 2025: 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
	NIL (March 31, 2025: 1,25,00,000) units of ₹100 each of Nippon India ETF Nifty SDL - 2026 Maturity Growth	-	161.45
	4,79,18,783.305 (March 31, 2025 : 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	62.40	58.33
	14,55,82,797.441 (March 31, 2025 :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	186.46	174.28
	9,67,53,749.637 (March 31, 2025 : 9,67,53,749.637) units of ₹10 each of Kotak Nifty SDL APR 2027 top 12 Equal Weighted Index Fund Direct Plan - Growth	124.97	116.50
	NIL (March 31, 2025 : 24,998,750.062) units of ₹10 each of Aditya Birla Sunlife Fixed Term Plan Series - TI (1,837 Days) - Direct Growth	-	31.32
	1,000 (March 31, 2025:NIL) 10.70% Bonds of ₹1,00,000 each of AU Small Finance Bank Limited BD23FB29	10.49	-
	1,000 (March 31, 2025:NIL) 8.03% NCD of ₹1,00,000 each of Muthoot Finance Limited OP II NCD 20JN31	9.83	-
	1,000 (March 31, 2025:NIL) 8.52% NCD of ₹1,00,000 each of Muthoot Finance Limited OP I NCD 07AP28	10.03	-
	500 (March 31, 2025:NIL) 8.57% NCD of ₹1,00,000 each of Cholamandalam Investment and Finance Company Limited SR SD77 03JU32	4.97	-
	500 (March 31, 2025 : NIL) 8.40% Bonds of ₹1,00,000 each of Cholamandalam Investment and Finance Company Limited 04MAY28	5.01	-

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
1,000 (March 31, 2025:NIL) 7.80% Bonds of ₹1,00,000 each of Hero Fincorp Limited 02JU27	10.22	-
500 (March 31, 2025:NIL) 9% Bonds of ₹1,00,000 each of Incred Financial Services Limited 24DC27	5.07	-
50,000 (March 31, 2025:NIL) 9.05% Bonds of ₹1,000 each of Muthoot Fincorp Limited 16JL28	4.99	-
1,000 (March 31, 2025:NIL) 9.15% Bonds of ₹1,00,000 each of Piramal Finance Limited 17JUN27	10.76	-
1,00,000 (March 31, 2025:NIL) 9.30% Bonds of ₹1,000 each of IIFL Finance Limited 21AP27	10.77	-
Investment in Preference shares/Debentures (Unquoted)		
250 (March 31, 2025:NIL) 9% Non Convertible Preference Shares of ₹10,00,000 each of Mercedez Benz Services India Private Limited	25.00	-
50,28,961 (March 31, 2025:NIL) Compulsory Convertible Debentures of ₹10 each of Sone Solar Energy One Private Limited	5.03	-
	663.23	**1,157.95**
1. Aggregate book value of quoted investments	581.80	1,123.59
2. Aggregate Market Value of quoted investments	1,062.86	1,662.24
3. Aggregate carrying value of unquoted investments	81.43	34.36

*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 31,2025 ₹ NIL).

5 Loans (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
Loan to employees (unsecured considered good)	0.91	1.21
	0.91	**1.21**

6 Other Financial Assets (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Fixed Deposits with banks having more than twelve months maturity	7.00	2.25
Earmarked Deposits with banks	11.64	18.06
Interest Receivable	1.74	1.99
Government Grant Receivable**	55.31	55.31
Less: Allowance for expected credit loss	(21.29)	(15.79)
Other Recoverable	0.54	0.54
	54.94	**62.36**

** Refer Note 52

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

7 Other Non Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Non Financial Assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Capital advances	151.77	118.28
Security deposits	72.88	74.38
Balance with government authorities	6.50	6.60
Prepaid (Deferred) Expense for employee benefit	0.10	0.07
Prepaid expenses-others	2.72	2.75
Other Recoverable	5.48	-
	239.45	**202.08**

8 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
(at cost or net realisable value, whichever is lower)		
Raw materials*	2,534.02	2,593.52
Work-in-progress	241.68	232.67
Finished Goods	686.66	733.46
Stores and Spares*	119.54	122.15
	3,581.90	**3,681.80**
*above items include goods in transit as per below		
Raw materials	160.63	316.86
Stores and Spares	5.82	9.72
	166.45	**326.58**

(i) The cost of inventories recognised as an expense during the year was ₹5,330.84 Crores (March 31, 2025: ₹5,287.69 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, 2026	As at March 31, 2025
Financial assets measured at fair value through Profit and loss		
(i) Investment in Mutual Funds (Quoted)		
Nil (March 31, 2025: 4,99,97,500.125) units of ₹10 each of SBI FMP Series 41 - 1,498 Days -Direct Plan Growth	-	62.88
1,35,560.68 (March 31, 2025 : 54,118.33) units of ₹10 each of TATA Money Market Fund Plan - Growth	68.31	25.52
NIL (March 31, 2025 :1,27,167) units of ₹10 each of SBI Liquid Fund Direct Growth	-	51.58

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
NIL (March 31, 2025 : 1,00,18,972.192) units of ₹10 each of Bandhan Money Manager Fund	-	42.88
NIL (March 31, 2025 : 73,49,039.779) units of ₹10 each of HDFC Arbitrage Fund-Direct Growth	-	14.57
NIL (March 31, 2025 : 4,98,39,012.067) units of ₹10 each of Edelweiss CRISIL PSU Plus SDL OCT 2025 Index Fund	-	59.51
50 (March 31, 2025 : NIL) 9.40% Bonds of ₹10 Lakhs each of TVS Credit Services Limited	5.01	-
50,929.74 (March 31, 2025 : NIL) units of ₹1000 each of Bandhan Overnight Fund Direct Growth	7.32	-
13,00,000 (March 31, 2025 : NIL) units of ₹100 each of Energy Infrastructure Trust	10.14	-
1,96,635 (March 31, 2025 : NIL) units of ₹100 each of Raajmarg Infra Investment Trust	2.16	-
4,19,923 (March 31, 2025 : NIL) units of ₹100 each of Ingrid Infrastructure Trust	6.95	-
12,078.25 (March 31, 2025 : NIL) units of ₹1000 each of Nippon India Liquid Fund - Direct Growth	8.15	-
11,98,61,898.919 (March 31, 2025: NIL) units of ₹10 each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - Apr 2026 50:50 Index Fund - Direct Plan Growth	163.62	-
2,49,98,750.062 (March 31, 2025: NIL) units of ₹10 each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth Plan	33.05	-
3,49,98,250.087 (March 31, 2025: NIL) units of ₹10 each of Kotak FMP Series 292 - Direct Plan Growth	46.29	-
4,99,97,500.120 (March 31, 2025: NIL) units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 49 (1,823 Days) - Direct Plan Growth	66.11	-
2,49,98,750.062 (March 31, 2025: NIL) Units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 46 (1,850 Days) Direct Plan Growth	33.35	-
2,99,98,500.075 (March 31, 2025: NIL) units of ₹10 each of SBI FMP Series 42 - 1,857 Days -Direct Plan Growth	40.58	-
8,28,86,002.658 (March 31, 2025: NIL) units of ₹10 each of SBI CPSE Bond Plus SDL Sep 2026- 50:50 Index Fund Direct Plan Growth	106.69	-
1,25,00,000 (March 31, 2025: NIL) units of ₹100 each of Nippon India ETF Nifty SDL - 2026 Maturity Growth	171.50	-
2,49,98,750.062 (March 31, 2025:NIL) units of ₹10 each of Aditya Birla Sunlife Fixed Term Plan Series-TI (1,837 Days) -Direct Growth	33.42	-
NIL (March 31, 2025 : 4,77,412) units of ₹1,000 each of Bharat Bond ETF APRIL 2025	-	61.55
	802.65	**318.49**
1. Aggregate amount of quoted investments	802.65	318.49
2. Aggregate market value of quoted investments	802.65	318.49
3. Aggregate carrying value of unquoted investments	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

10 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Receivable from related parties (Refer Note 46)		
- Unsecured, considered good	3.03	0.01
Receivable from others		
- Unsecured considered good	1,291.96	1,288.79
- Significant increase in Credit risk	3.36	3.36
Less:- Allowances for expected credit loss	(3.36)	(3.36)
	1,294.99	**1,288.80**

(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 2024-25 - 45 days) in case of domestic yarn and 90 days (FY 2024-25 - 90 days) in case of domestic fabric and garments. In case of exports, maximum credit period is 180 days (FY 2024-25 - 120 days) and letter of credit is provided against majority of cases.

(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, 2026	As at March 31, 2025
Less than 180 days	-	-
More than 180 days	3.36	3.36
	3.36	**3.36**

(iv) Age of Receivables:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Undisputed Trade receivables – considered good		
Less than 6 months	1,291.39	1,284.39
6 months to 1 year	1.43	0.70
1 to 2 years	0.37	0.42
2 to 3 years	0.04	0.02
More than 3 years	0.06	0.01
	1,293.29	**1,285.54**
(b) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months to 1 year	-	0.66
1 to 2 years	0.65	0.94
2 to 3 years	0.94	2.03
More than 3 years	2.08	0.49
	3.67	**4.12**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
(c) Disputed Trade receivables – considered good		
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**
(d) Disputed Trade Receivables – which have significant increase in credit risk		
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
	1.39	**1.39**

(v) Movement in expected credit loss allowance

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	3.36	18.54
Reversal of provision during the year	-	(15.18)
Provision provided during the year	-	-
Balance at the end of the year	**3.36**	**3.36**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

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, 2026	As at March 31, 2025
a) Balances with banks		
- In current accounts	38.26	51.93
b) Cheques on hand	1.44	0.07
c) Cash on hand	0.05	0.11
	39.75	**52.11**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

11A Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
a) Other bank balances		
- Earmarked balances with banks#	40.94	40.46
- Deposits with more than twelve months maturity	7.00	2.25
- Deposits with more than three months but less than twelve months maturity	8.06	10.23
	56.00	**52.94**
Less: Amounts disclosed as other financial non current assets (Refer note 6)	18.64	20.31
	37.36	**32.63**

Earmarked balances with banks includes ₹2.87 crores (March 31, 2025: ₹2.80 crores) pertaining to dividend accounts with banks and ₹2.90 crores (March 31, 2025:₹18.38 crores) pledged with government authorities, banks and others. Also includes ₹19.08 crores (March 31, 2025: ₹19.28 crores) pertaining to balances in unspent CSR accounts.

12 Loans (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
(Unsecured and considered good, unless otherwise stated)		
Loan to employees	1.52	2.08
	1.52	**2.08**

13 Other financial assets (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
(Unsecured and considered good, unless otherwise stated)		
Recoverable from related parties (Refer Note 46)	0.02	0.02
Interest receivable	-	0.56
Claims receivable	0.55	0.01
Other Recoverable#	64.89	85.97
Receivable from Asset Management Company	-	30.00
	65.46	**116.56**

Includes government grant receivables of ₹57.50 crores (March 31,2025: ₹70.44 crores) related to power and capital subsidy.

14 Income Tax

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax asset (net)		
Income tax receivable (net)	91.71	76.84
Income tax liabilities (net)		
Income tax payable (net)	13.66	20.08

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

15 Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured and considered good, unless otherwise stated)		
Amount recoverable from Mahavir Share Trust in respect of shares Held in Trust*	4.65	4.66
Advances to suppliers	478.29	167.71
Balance with government authorities	331.26	348.14
Prepaid (Deferred) expense for employee benefit	0.03	0.03
Prepaid expenses others	4.52	4.08
Insurance and Other recoverable	32.43	40.13
	851.18	**564.75**

* Refer Note 40

15A Assets Held for sale

Particulars	As at March 31, 2026	As at March 31, 2025
Property, Plant and Equipment held for Sale	0.46	-
	0.46	**-**

The Company intends to dispose off a residential building, it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale as at March, 2026 as the Company expected that sale consideration less costs to sell is higher than the carrying amount. Also the Company had received advance of ₹0.47 Crore as on March 31, 2026 shown in other current liabilities against sale of these assets (Refer Note 26).The said sale is expected to complete in the next year.

16 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
71,50,00,000 equity shares of ₹2 each (March 31, 2025: 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, 2025: 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, 2025: 1,40,00,000)	14.00	14.00
	177.00	**177.00**
Issued, subscribed and fully paid up share capital comprises:		
28,92,81,800 equity shares of ₹2 each (March 31, 2025: 28,91,74,800 equity shares of ₹2 each)	57.85	57.83
	57.85	**57.83**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(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 previous 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 in the previous year and 1,97,500 options lapsed due to resignation and retirement of eligible members and 1,07,000 options were exercised during the year.

*Refer Note 45

16.4 Reconciliation of number of shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	28,91,74,800	57.83	28,91,74,800	57.83
Issue of equity shares under employee stock option plan (Refer note 45)	1,07,000	0.02	-	
Balance as at the end of the year	**28,92,81,800**	**57.85**	**28,91,74,800**	**57.83**

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, 2026		As at March 31, 2025	
	Number of shares	% holding	Number of shares	% holding
Vardhman Holdings Limited	8,38,50,458	28.99%	8,34,37,034	28.85%
Adishwar Enterprises LLP	5,15,94,315	17.84%	5,15,94,315	17.84%
Devakar Investment and Trading Company Private Limited	3,38,56,505	11.70%	3,16,87,790	10.96%
HDFC Mutual Fund	2,06,77,306	7.15%	2,16,11,672	7.47%

Notes to Standalone Financial Statements for the year ended March 31, 2026

(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, 2026			As at March 31, 2025		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
Vardhman Holdings Limited	8,38,50,458	28.99%	0.14%	8,34,37,034	28.85%	0.09%
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	3,38,56,505	11.70%	0.75%	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 Vir	34,925	0.01%	0.00%	34,925	0.01%	0.00%

Notes to standalone financial statement for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

17 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Share application money pending allotment	-	-
Capital reserve	1.64	1.64
Capital redemption reserve	12.26	12.26
Security premium	57.86	52.58
Share options outstanding account	12.47	8.52
General reserve	1,461.79	1,461.79
Retained earnings	8,581.82	7,981.43
Equity instrument through other comprehensive income	2.04	1.79
	10,129.88	**9,520.01**

Particulars	Reserves and Surplus							Item of other comprehensive income	Total
	Share application money pending allotment	Capital reserve	Capital redemption reserve	Security premium	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance at April 01, 2024	**-**	**1.64**	**12.26**	**52.58**	**-**	**1,461.79**	**7,217.28**	**1.58**	**8,747.13**
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**
Final equity dividend for the financial year 2023-24 (Amount ₹4 per share)							(115.69)		(115.69)
ESOP provision created	-	-	-	-	8.52	-	-	-	8.52
Balance at March 31, 2025		**1.64**	**12.26**	**52.58**	**8.52**	**1,461.79**	**7,981.43**	**1.79**	**9,520.01**

Notes to standalone financial statement for the year ended March 31, 2026

(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	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Profit for the year	-	-	-	-	-	-	740.02	-	740.02
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	3.73	0.25	3.98
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**743.75**	**0.25**	**744.00**
ESOP provision created					5.94				5.94
Share Application Money received under employee stock options.	4.55	-	-	-	-	-	-	-	4.55
Final equity dividend for the financial year 2024-25 (Amount ₹5 per share)	-	-	-	-	-	-	(144.60)	-	(144.60)
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(4.55)	-	-	4.53	-	-	-	-	(0.02)
Transfer to retained earnings on lapse of stock options	-	-	-	-	(1.24)	-	1.24	-	-
Security Premium on exercise of stock options	-	-	-	0.75	(0.75)	-	-	-	-
Balance at March 31, 2026	**-**	**1.64**	**12.26**	**57.86**	**12.47**	**1,461.79**	**8,581.82**	**2.04**	**10,129.88**

a. Share application money pending allotment

It represents share application money received from senior employees under the Company's employee share option scheme and allotment is pending.

b. Capital reserve

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Company.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

c. Capital redemption reserve

Capital Redemption reserve is a statutory, non-distributable reserve. This was created on the redemption or purchase of a Company's own shares. Its utilisation is restricted/limited to the purpose of issuing fully paid up bonus 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. 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.

f. 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.

g. 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.

h. Equity instrument through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the measurement of equity instruments 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, 2026	As at March 31, 2025
Term loans (Secured - at amortised cost)		
From banks*	1,412.46	834.51
Less: Current maturities (refer note-23)	181.68	85.52
Total	**1,230.78**	**748.99**

* Net of unamortized processing charges: March 31, 2026 ₹0.08 crores (March 31, 2025 ₹0.18 crores)

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Term Loans	Nature of Security
1) Term Loan from Bank amounting to ₹ NIL (March 31, 2025: ₹62.72 Cr.) 2) Term Loan from Bank amounting to ₹221.56 Cr. (March 31, 2025: ₹232.29 Cr.) 3) Term Loan from Bank amounting to ₹ NIL (March 31, 2025: ₹7.31 Cr.) 4) Term Loan from Bank amounting to ₹106.48 Cr. (March 31, 2025: ₹111.25 Cr.)	**Primary Security:-** (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.
1) Term Loan from Bank amounting to ₹238.89 Cr. (March 31, 2025: 28.28 Cr.) 2) Term Loan from Bank amounting to ₹243.50 Cr. (March 31, 2025: NIL) 3) Term Loan from Bank amounting to ₹ 600 Cr. (March 31, 2025: 392.86 Cr.)	**Primary Security:-** (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.

18 (c) Terms of repayment of loan

Loan Category	Frequency of principal repayments	Interest rate	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Total
Term loans	Quarterly Payments	6.05% to 6.96%	181.68	188.52	134.08	301.35	373.31	233.52	1,412.46
			181.68	**188.52**	**134.08**	**301.35**	**373.31**	**233.52**	**1,412.46**

18 (d) Also refer note 37 for fair value disclosures.

18 (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, 2026	As at March 31, 2025
Financial liabilities at amortized cost		
Retention money	2.93	0.53
	2.93	**0.53**

19A Lease liabilities (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial liabilities at amortized cost		
Lease Liability (Refer Note 44)	0.20	0.19
	0.20	**0.19**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

20 Provisions (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits :		
- Compensated Absences (Refer note 47)	18.28	18.97
	18.28	**18.97**

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, 2026	As at March 31, 2025
Deferred tax liabilities	310.07	295.28
Deferred tax assets	(18.16)	(16.53)
	291.91	**278.75**

* Refer note 36

22 Other non-current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Income for Capital subsidy	8.97	9.99
Other	1.61	1.69
Total	**10.58**	**11.68**

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, 2026	As at March 31, 2025
Loans repayment on demand/ Bank Overdraft		
- Banks (secured at amortised cost)	422.51	378.75
Total	**422.51**	**378.75**
Current Maturities of Long term borrowings		
- Term Loans (secured at amortised cost)	181.68	85.52
Short term borrowing (unsecured)	19.98	24.64
Total	**201.66**	**110.16**
Total Borrowings	**624.17**	**488.91**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

a. Details of security for working capital borrowings

Working capital borrowings from banks are secured as follows:-

(1) 1st 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) 2nd 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, 2026	As at March 31, 2025
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	50.45	48.81
- Total outstanding dues of other than micro enterprises and small enterprises	395.40	379.66
Due to related parties (Refer Note 46)	2.51	1.14
Total	**448.36**	**429.61**

Ageing of Trade payables:

Particulars	As at March 31, 2026	As at March 31, 2025
(i) MSME:		
Less than 1 year	50.45	48.81
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	50.45	**48.81**
(ii) Others:		
Less than 1 year	378.42	356.37
1-2 years	8.35	13.07
2-3 years	1.52	6.18
More than 3 years	9.62	5.18
	397.91	**380.80**

25 Other financial liabilities (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial liabilities at amortized cost		
Other payables		
- Retention money	12.88	9.00
- Security deposits	3.35	4.12
- Expense payable	15.08	37.41

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Payables for purchase of fixed assets		
-Total outstanding dues of micro enterprises and small enterprises	14.01	2.76
-Total outstanding dues of other than micro enterprises and small enterprises	101.22	56.42
Due to employees	141.08	127.92
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	123.73	2.48
Total	**411.35**	**240.11**

*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 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory remittances*	25.99	27.49
Deferred Income for Capital subsidy	1.13	1.49
Unpaid dividends **	2.87	2.80
Advances from customers (Contract Liabilities) #	24.92	31.56
Other Liabilities	18.90	12.36
Payable to Gratuity Trust	21.86	3.90
Advance against Sale of Property, Plant and Equipment (Refer Note 15A)	0.47	-
Total	**96.14**	**79.60**

* 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 advances from customers

Particulars	As at March 31, 2026	As at March 31, 2025
As at beginning of the year	31.56	38.43
Less:-Recognised as revenue	(31.56)	(38.43)
Add:- Advances received during the year related to closing balance	24.92	31.56
As at end of the year	**24.92**	**31.56**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

27 Provisions (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits :		
- Compensated Absences (Refer note 47)	7.01	4.56
	7.01	**4.56**

28 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products (Net of Rebate & Discount)	9,434.19	9,387.49
Sale of Traded Goods	30.33	5.60
Sale of services	8.71	8.73
Other operating revenues :		
- Export benefits*	152.72	159.20
- Others	26.38	26.19
	9,652.33	**9,587.21**

* Export benefits are in the nature of government grants covering RoDTEP/RoSCTL/Drawback/IEIS etc.

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, 2026	For the year ended March 31, 2025
Sale of Yarn	6,069.19	5,953.54
Sale of Fabric	3,251.38	3,318.66
Sale of Garments	141.54	126.01
Service income	8.71	8.73
Others (Sale of scrap and others)	28.79	21.07
	9,499.61	**9,428.01**
The following is analysis on the Company's revenue disaggregates on the basis of timing of revenue recognition.		
- At point of time	9,499.61	9,428.01
- Over the period	-	-
The contract price of sale of products co-incide with the revenue from operations.		
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	9,478.18	9,430.82
Reduction towards variable consideration	(43.99)	(43.33)
Net Sale of Products	**9,434.19**	**9,387.49**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

29 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest income		
Interest income on Financial assets measured at amortised cost		
- Interest on Bank deposits	3.57	3.10
- Interest from Others	10.24	7.09
Interest on refund of income tax	-	26.54
(b) Dividend income		
Dividend Income from investment carried at cost (Also refer Note 46.2)	67.25	50.54
(c) Other Non Operating Income (Net of Expenses directly attributable to such income)		
Net gain on sale of investments-carried at fair value through Profit and Loss (net of fair valuation gains/loss upto previous year)	10.83	40.94
Gain on fair valuation of Investments (Net)	70.36	91.24
(d) Other gain		
Claims received (net of expenses)	3.55	0.90
Provisions no longer required written back	2.90	3.36
Subsidy from Government	44.65	51.92
Net gain on disposal of property, plant and equipment	37.31	44.17
Foreign exchange fluctuation gain (net)	-	27.58
Others	24.76	20.09
	275.42	**367.47**

30 Cost of materials consumed*

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cotton	4,031.41	4,197.75
Manmade fibre	1,141.22	1,036.21
Yarn	31.74	23.60
Fabric	57.25	57.34
Others	5.04	4.11
	5,266.66	**5,319.01**

*Consumption is derived figure, calculated by adding the opening stock and purchases, and then subtracting the closing stock

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

31 Purchases of Stock-in-trade:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Yarn	4.17	4.85
Fabric	22.22	-
	26.39	**4.85**

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year		
Work-in-progress	232.67	233.54
Finished goods (including stock in trade)	733.46	696.42
	966.13	**929.96**
Inventories at the end of the year		
Work-in-progress	241.68	232.67
Finished goods (including stock in trade)	686.66	733.46
	928.34	**966.13**
	37.79	**(36.17)**

33 Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	793.68	773.84
Contribution to provident and other funds*	62.39	61.77
Employee share based expense	5.94	8.52
Gratuity Expense (Net)*	38.05	14.67
Staff welfare expenses	8.77	8.99
	908.83	**867.79**

* Refer Note 47

34 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense*	76.26	58.79
Other borrowing costs	16.09	18.23
	92.35	**77.02**

*Interest expense is net of interest reimbursement of ₹17.68 crores (March 31, 2025 - ₹28.48 crores) under Madhya Pradesh state interest reimbursement on term loan.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

35 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power and fuel (net)*	862.56	881.30
Consumption of stores and spare parts	63.65	58.11
Packing materials and charges	126.49	123.45
Dyes and Chemical consumed	257.99	259.48
Rent	2.64	2.45
Repairs and Maintenance		
- Buildings	66.27	64.43
- Plant and Machinery	245.30	269.39
- Others	16.54	17.48
Legal and Professional Charges	24.50	16.12
Processing Charges	12.19	12.23
Travelling and Conveyance Expenses	11.24	12.37
Insurance	15.61	14.27
Rates and taxes	3.40	3.45
Auditors remuneration:		
- Audit fee	1.01	0.93
- Tax audit fee	0.10	0.09
- Reimbursement of expenses	0.04	0.11
- In other capacity (Certification Charges)	0.06	0.09
Bad debts written off	2.36	9.95
Allowances for expected credit loss (net)	5.50	0.61
Forwarding charges and Octroi	192.94	229.66
Commission to selling agents	66.16	63.16
Assets written off	3.66	1.82
Charity, Donation and CSR activities (Refer Note 49)#	20.00	32.97
Cotton Hedging Derivative Loss	18.43	0.57
Foreign exchange fluctuation loss (net)	60.35	-
Other miscellaneous expenses**	114.72	100.08
	2,193.71	**2,174.57**

* Power & Fuel expense amount is net of Subsidy amounting ₹12.36 Crores (March 31,2025 ₹19.35 Crores).

** Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

During the previous year FY 2024-25, the Company has made a political contribution amounting to ₹7 Crores to Prudent Electoral Trust.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(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
2025-26				
Deferred tax assets				
Expenses deductible in future years	9.74	0.25	-	9.99
Provision for doubtful debts / advances	6.57	1.38	-	7.95
Others	0.22	0.00	-	0.22
	16.53	**1.63**	**-**	**18.16**
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(266.66)	(30.17)	-	(296.83)
Investment in bonds, mutual funds and equity instruments	(27.47)	(5.09)	(0.09)	(32.65)
Others	(1.15)	20.56	-	19.41
	(295.28)	**(14.70)**	**(0.09)**	**(310.07)**
Net deferred tax liabilities	**(278.75)**	**(13.07)**	**(0.09)**	**(291.91)**

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
2024-25				
Deferred tax assets				
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
	12.52	**4.01**	**-**	**16.53**
Deferred tax liabilities				
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)
	(261.27)	**(33.94)**	**(0.07)**	**(295.28)**
Net deferred tax liabilities	**(248.75)**	**(29.93)**	**(0.07)**	**(278.75)**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
Income Tax pertaining to current year	206.53	247.58
Income Tax pertaining to earlier years*	(19.24)	(6.89)
Deferred tax		
Deferred Tax pertaining to current year	12.08	21.35
Deferred Tax pertaining to earlier years	0.99	8.58
Total income tax expense recognised	**200.36**	**270.62**

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	940.38	1,149.69
Tax at the Indian Tax Rate of 25.168% (2024-25 : 25.168 %)	236.67	289.35
Differential tax rate on capital gain on sale of investments/mark to market gain on investment	(7.88)	(10.90)
Deductions u/s 80M	(16.93)	(12.72)
Effect of expenses considered as not deductible in determining taxable profit	5.03	9.12
Exemption u/s 54D	-	(6.92)
Others	1.72	1.00
	218.61	**268.93**

* There is reduction in tax expense in the year ended March 31, 2026, due to reversal of income tax provision of previous years amounting ₹16.98 crores due to settlement of certain tax litigations.

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	0.09	0.07
Remeasurement of defined benefit obligation	1.26	0.26
Total income tax recognised in other comprehensive income	**1.35**	**0.33**

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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026	As at March 31, 2025
Debt	1,854.95	1,237.90
Cash & cash equivalents	39.75	52.11
Net Debt	**1,815.20**	**1,185.79**
Total Equity	**10,187.73**	**9,577.84**
Net debt to equity ratio	**0.18**	**0.12**

37.2 Financial instruments by category

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVTPL	Amortised Cost#	FVTOCI	FVTPL	Amortised Cost#	FVTOCI
Financial Assets						
Investments*	1,352.78	-	3.14	1,363.68	-	2.80
Trade Receivables	-	1,294.99	-	-	1,288.80	-
Cash and cash equivalents	-	39.75	-	-	52.11	-
Bank balances other than above	-	37.36	-	-	32.63	-
Loans	-	2.43	-	-	3.29	-
Other financial assets	-	120.40	-	-	178.92	-
	1,352.78	**1,494.93**	**3.14**	**1,363.68**	**1,555.75**	**2.80**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost#	FVTPL	Amortised Cost#
Financial Liabilities				
Borrowings (including current maturity of term loan)	-	1,854.95	-	1,237.90
Trade Payables	-	448.36	-	429.61
Other financial liabilities	123.73	414.28	2.48	238.16
Lease Liability	-	0.20	-	0.19
	123.73	**2,717.79**	**2.48**	**1,905.86**

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, 2025: ₹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, 2026	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	-	1,352.78	-	**1,352.78**
Investments in unquoted equity instruments	-	-	3.14	**3.14**
Foreign currency / commodity forward contracts	-	-	-	**-**
	-	**1,352.78**	**3.14**	**1,355.92**
Financial Liabilities				
Foreign currency / commodity future/option contracts	-	123.73	-	**123.73**
	-	**123.73**	**-**	**123.73**

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial Assets				
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	-	-	-	**-**
	-	**1,363.68**	**2.80**	**1,366.48**
Financial Liabilities				
Foreign currency / commodity future/option contracts	-	2.48	-	**2.48**
	-	**2.48**	**-**	**2.48**

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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 1, 2024	**2.52**
Purchases	-
Gain / (loss) recognised in OCI	0.28
As at March 31, 2025	**2.80**
Purchases	-
Gain / (loss) recognised in OCI	0.34
As at March 31, 2026	**3.14**

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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 price comprises 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 42% (2024-25 -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.

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, 2026	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	783.40	29.17	-	-
Financial liabilities				
Trade payables and other financial liabilities	13.29	13.09	3.91	0.40

As at March 31, 2025	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	786.03	58.90	-	-
Financial liabilities				
Trade payables and other financial liabilities	28.54	7.16	22.22	0.01

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Unhedged in foreign currency exposure (in Crore)

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
(a) Trade Payable	USD	0.14	13.29	0.33	28.54
	EUR	0.12	13.09	0.08	7.16
	CHF	0.03	3.91	0.23	22.22
	JPY	0.68	0.40	0.01	0.01
(b) Trade Receivable	USD	0.71	67.26	0.46	39.70
	EUR	0.02	2.03	0.13	11.81

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10 % increase and decrease in the ₹against the relevant foreign currency. The sensitivity analysis includes only outstanding unhedged 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, 2026		Year ended March 31, 2025	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
USD	5.40	(5.40)	1.12	(1.12)
EUR	(1.11)	1.11	0.46	(0.46)
CHF	(0.39)	0.39	(2.22)	2.22
JPY	(0.04)	0.04	-	-

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.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Import						
USD / INR Buy forward	66	88	5.05	4.19	478.98	357.92
USD / INR Buy Option	-	3	-	0.54	-	45.77
EUR / USD / INR Buy forward	2	3	0.03	0.16	3.24	14.64
EUR / USD / INR Buy Option	4	6	0.29	1.18	31.69	108.78
CHF/ INR Buy Forward	-	1	-	0.32	-	31.06
Export						
USD / INR Sell forward	255	283	25.46	28.10	2,412.91	2,401.99
USD / INR Sell Option	-	5	-	1.00	-	85.48
EUR / INR Sell forward	16	17	0.38	0.85	41.48	78.09

* 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, 2026	Year ended March 31, 2025
	₹ if loans interest rate decreases by 1 %	₹ if loans interest rate decreases by 1 %
Increase in profit before tax by	18.55	12.38

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 Statements for the year ended March 31, 2026

(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, 2026 would increase / decrease by ₹0.16 crores (March 31, 2025: increase / decrease by ₹0.14 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 though 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, 2026 would increase / decrease by ₹13.36 crores (March 31, 2025 by ₹13.64 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 Statements for the year ended March 31, 2026

(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, 2026	As at March 31, 2025
Revenue from top five customers	1,021.67	912.66
% of total sales of products	10.58%	9.52%

Below are the Financial assets against which loss allowance is measured:

Particulars	As at March 31, 2026	As at March 31, 2025
Loans - Non-current	0.91	1.21
Loans - Current	1.52	2.08
Other financial assets - Non-current	54.94	62.36
Other financial assets - Current	65.46	116.56
Trade receivables	1,294.99	1,288.80
	1,417.82	**1,471.01**
Loss allowance is as follows:- (Refer Note 6 and 10)		
As at April 01, 2024		**18.54**
Provided during the year		15.79
Reversed during the year		(15.18)
As at March 31, 2025		**19.15**
Provided during the year		5.50
Reversed during the year		-
As at March 31, 2026		**24.65**

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:

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026	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
Financial Assets					
Investments	802.65	513.62	-	149.61	**1,465.88**
Trade Receivables	1,294.99	-	-	-	**1,294.99**
Cash and cash equivalents	39.75	-	-	-	**39.75**
Bank balances other than above	37.36	-	-	-	**37.36**
Loans	1.52	-	-	-	**1.52**
Other financial assets	65.46	-	-	-	**65.46**
	2,241.73	**513.62**	**-**	**149.61**	**2,904.96**

As at March 31, 2026	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
Financial liabilities					
Borrowings	624.17	322.60	674.66	233.52	**1,854.95**
Trade payables	448.36	-	-	-	**448.36**
Lease liability (undiscounted)	-	-	0.20	-	**0.20**
Other financial liabilities	411.35	2.93	-	-	**414.28**
	1,483.88	**325.53**	**674.86**	**233.52**	**2,717.79**

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
Financial Assets					
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**
	1,790.06	**1,046.46**	**0.08**	**133.23**	**2,969.83**
Financial liabilities					
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**
	1,158.61	**343.00**	**219.05**	**187.66**	**1,908.32**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026	As at March 31, 2025
Total sanctioned limits from banks (Fund Based) ₹ in Crores	2,350.00	2,350.00
Utilized	422.51	378.75
Unutilized	**1,927.49**	**1,971.25**

38 CONTINGENT LIABILITIES AND COMMITMENTS

a. Claims against the Company not acknowledged as debts:

Particulars	As at March 31, 2026	As at March 31, 2025
Sales tax, excise duty, etc*	9.11	6.69
Income-tax**	227.56	250.19
Others***	3.79	4.40

* Amount deposited ₹1.62 crore (March 31, 2025 : ₹1.60 crore)

** Amount deposited ₹227.91 crore (March 31, 2025 : ₹225.39 crore)

*** Amount deposited ₹0.70 crore (March 31, 2025 : ₹0.70 crore)

b. Liability on account of bank guarantees and letter of credit of ₹169.68 crores (March 31, 2025: ₹658.04 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

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advance)	311.12	1,245.98
(ii) Exports obligations under Export Promotion Capital Goods (EPCG) scheme*	3,950.30	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, 2026 is ₹1032.93 crores (March 31, 2025 ₹789.12 crores). Export obligation on such licences outstanding as at year end is disclosed above.

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

(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.

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, 2026 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	0.55	0.55
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
	State sales tax	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	1.33	0.06
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	0.86	0.86
Water (Prevention and Control of Pollution) Act, 1974	National Green Tribunal	High Court	FY 2020-21	1.38	1.38
Income-tax Laws	Income-tax	CIT (Appeals)	AY 2016-17 to AY 2018-19, AY 2020-21 & AY 2024-25	310.34	82.42

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

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 2005-06,AY 2009-10 to AY 2011-12, AY 2013-14 to AY 2015-16	176.36

* 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 ₹128.50 crores.

40(a) Mahavir Share Trust ("Trust") is holding 10,65,822 equity shares (March 31, 2025: 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.

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, 2026	As at March 31, 2025
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.01	0.02
	4.65	**4.66**

40(c) During the year, the Mahavir Share Trust has received dividend of ₹0.32 crores 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 2026	For the year ended March, 31 2025
Revenue from Operations		
Domestic	5,612.88	5,451.50
Overseas	4,039.45	4,135.71
	9,652.33	**9,587.21**
Total Segment Assets		
-Within India	13,343.10	11,899.82
-Outside India	-	-
Non Current Segment Assets		
-Within India	6,667.83	5,842.60
-Outside India	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 2025-26 and 2024-25.

42 EARNINGS PER SHARE

Particulars	For the year ended March, 31 2026	For the year ended March, 31 2025
Basic earnings per share (₹)	25.58	30.40
Diluted earnings per share (₹)	**25.58**	**30.40**
Profit attributable to the equity holders of the Company used in calculating basic earning per share	740.02	879.07
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	**28,92,81,800**	**28,91,74,800**
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	740.02	879.07
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	**28,92,81,800**	**28,91,74,800**

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 2026	For the year ended March, 31 2025
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount*	64.46	51.57
-Interest due thereon	-	-
	64.46	**51.57**
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 ₹14.01 crores (FY 2024-25 ₹2.76 crores)

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

Following are the changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2026:

Particulars	Leasehold Land	Leasehold Building	Total
Balance as on April 01, 2024	8.23	0.01	8.24
Addition	-	-	-
Deletion	-	-	-
Depreciation/Amortisation	(0.17)	-	(0.17)
Balance as on March 31, 2025	**8.06**	**0.01**	**8.07**
Addition	-	-	-
Deletion	-	-	-
Depreciation/Amortisation	(0.14)	-	(0.14)
Balance as on March 31, 2026	**7.92**	**0.01**	**7.93**

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, 2026:

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	-	-
Non-Current lease liabilities	0.20	0.19
Total	**0.20**	**0.19**

Following is the movement in lease liabilities during year ended March 31, 2026

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning	0.19	0.18
Finance cost accrued during the period	0.01	0.01
Payment of lease liabilities	-	-
Balance at the end	**0.20**	**0.19**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2026 on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	0.00	0.00
One to five years	0.20	0.19
More than five years	0.00	0.00
Total	**0.20**	**0.19**

The following are the amounts recognised in statement of profit and loss:

Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation expenses on Right to use Assets	0.14	0.17
Interest expense on lease liabilities	-	-
Expense relating to short-term leases (included in other expenses)	1.75	1.20
Total amount recognised in statement of profit and loss	**1.89**	**1.37**

45 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 Company'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**
	31,75,000				

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%

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

(iv) As per Employee Stock Options Scheme 2024, during the previous year the Company has granted equity share options of 31,75,000 having face value of ₹2 per share out of which 2,70,000 stock options lapsed in the previous year and 1,97,500 stock options lapsed due to resignation and retirement of eligible members and 1,07,000 stock options were exercised during the year.

(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	5 years
Dividend yield	0.90%
Risk free Interest Rate	6.94%

(vi) Movement of share options

Particulars	2025-26		2024-25	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	29,05,000	425	-	-
Granted during the year	-	-	31,75,000	425
Forfeited during the year	-	-	-	-
Exercised during the year	(1,07,000)	425	-	-
Lapsed during the year	(1,97,500)	-	(2,70,000)	-
Balance at end of year	**26,00,500**	**425**	**29,05,000**	**425**

(vii) Amount accounted for in statement of profit and loss for Employee stock options is ₹5.94 Crores (FY 2024-25 ₹8.52 Crores)

Notes to Standalone Financial Statements for the year ended March 31, 2026

(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 (upto May 02, 2025)

Mrs. Shakun Oswal

Mr. Rijul Hora (w.e.f. Dec 01, 2025)

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

Mrs. Sagrika Vir, Executive Director

Ms. Soumya Jain, Non Executive Director (w.e.f. May 03, 2025)

Mr. Rajeev Thapar, Chief Financial Officer*

Mr. Sanjay Gupta, Company Secretary*

Mr. Sachit Jain, Non-Executive Director

Mrs. Harpreet Kaur Kang, Independent Director

Mr. Udeypaul Singh Gill, Independent Director

Mr. Suresh Kumar, Independent Director

Mr. Atul Khosla, Independent Director

Dr. Prem Kumar, Independent Director (w.e.f. July 30, 2024)

Mr. Arvind Sahay, Independent Director (w.e.f. May 03, 2025)

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

Eastern Trading Company

Mahavir Traders

Lock And Decor Home LLP

SP Oswal Trust

Mrs. Shakun Oswal Trust

* Pursuant to section 2(51) of Companies Act, 2013

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

46.2 Transactions with related parties

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale /processing of goods to:#			
Vardhman Acrylics Limited	Subsidiary	0.12	0.07
Vardhman Special Steels Limited	Associate	0.01	-
Vardhman Yarns and Threads Limited	Associate	3.61	3.06
Mahavir Traders	Others	67.89	40.49
		71.63	**43.62**
Purchase/processing of goods from:#			
Vardhman Acrylics Limited	Subsidiary	113.22	98.90
Vardhman Yarns and Threads Limited	Associate	17.40	22.04
Mahavir Traders	Others	0.04	-
		130.66	**120.94**
Sale of RoDTEP License			
Vardhman Acrylics Limited	Subsidiary	-	2.12
Vardhman Yarns and Threads Limited	Associate	1.74	3.47
		1.74	**5.59**
Sale of property, plant & equipment to:#			
Vardhman Yarns and Threads Limited	Associate	0.43	0.53
Vardhman Special Steels Limited	Associate	0.00	-
		0.43	**0.53**
Purchase of property, plant & equipment from :#			
Lock And Decor Home LLP	Others	-	0.01
Vardhman Yarns and Threads Limited	Associate	-	0.07
		-	**0.08**
Services received from			
Rijul Hora	Relative of KMP	0.25	-
		0.25	**-**
Rent paid to **			
Vardhman Holdings Limited	Others	0.02	0.02
Smt. Banarso Devi Oswal Public Charitable Trust	Others	0.12	0.12
		0.14	**0.14**
Rent received from **			
Vardhman Yarns and Threads Limited	Associate	0.32	0.28
		0.32	**0.28**
Dividend received from:			
Vardhman Acrylics Limited	Subsidiary	8.53	11.37
VTL Investments Limited	Subsidiary	2.00	15.00
Vardhman Special Steels Limited	Associate	5.82	3.88
Vardhman Yarns and Threads Limited	Associate	48.28	20.07
		64.63	**50.32**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend Paid to:-			
Mrs. Sagrika Vir	KMP	0.02	0.01
Mrs. Shakun Oswal	Relative of KMP	0.35	0.38
Mr. Shri Paul Oswal	KMP	1.49	1.81
Ms. Soumya Jain	KMP	0.02	0.02
Mrs. Suchita Jain	KMP	0.61	0.49
Adishwar Enterprises LLP	Others	25.80	20.64
Vardhman Holdings Limited	Others	41.72	33.34
VTL Investments Limited	Subsidiary	2.33	1.86
Devakar Investment And Trading Company Pvt Ltd	Others	15.84	12.68
Flamingo Finance And Investment Company Limited	Others	1.33	1.07
Mahavir Spinning Mills Private Limited	Others	0.25	0.20
Ramaniya Finance And Investment Co Limited	Others	1.06	0.85
Northern Trading Company	Others	0.28	0.28
Paras Syndicate	Others	0.29	0.29
Amber Syndicate	Others	0.19	0.19
Eastern Trading Company	Others	0.13	0.13
Santon Finance And Investment Company Limited	Others	1.14	0.91
		92.85	**75.15**
Reimbursement of expenses received from			
Vardhman Acrylics Limited	Subsidiary	0.02	0.01
Vardhman Apparels Limited	Others	0.00	0.01
Vardhman Special Steels Limited	Associate	0.07	0.06
Vardhman Yarns and Threads Limited	Associate	0.14	0.12
		0.23	**0.20**
Reimbursement of expenses paid to:			
Vardhman Acrylics Limited	Subsidiary	0.04	-
Vardhman Yarns and Threads Limited	Associate	1.59	2.02
Vardhman Apparels Limited	Others	-	0.02
		1.63	**2.04**
Recovery of Common Expenses incurred **			
Vardhman Acrylics Limited	Subsidiary	1.14	0.76
Vardhman Special Steels Limited	Associate	3.43	1.00
Vardhman Yarns and Threads Limited	Associate	2.76	2.76
		7.33	**4.52**
Payment against licence agreement**			
Vardhman Holdings Limited	Others	1.45	1.44
		1.45	**1.44**
Withdrawal/(Contribution) to/from post employment benefit plans:			
Mahavir Employees Gratuity Fund Trust	Post Employment Benefit Plans Trust	(3.87)	1.01
		(3.87)	**1.01**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

46.3 Outstanding Balances:

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Receivables			
Vardhman Special Steels Limited	Associate	2.94	0.11
Vardhman Spinning and General Mills Limited	Associate	0.01	0.00
Vardhman Apparels Limited	Others	0.02	0.02
Mahavir Traders	Others	0.09	0.02
		3.06	**0.15**
Payables			
Vardhman Acrylics Limited	Subsidiary	(0.38)	-
Vardhman Holdings Limited	Others	(1.58)	(1.43)
Vardhman Yarns and Threads Limited	Associate	(0.55)	(0.82)
Mahavir Employees Gratuity Fund Trust	Post Employment Benefit Plans Trust	(21.86)	(3.87)
		(24.37)	**(6.12)**
Equity Investment outstanding			
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
		109.96	**109.96**
Payable to Key management personnel			
Mr. S.P. Oswal	KMP	12.44	12.07
Mrs. Suchita Jain	KMP	0.82	0.60
Mr. Neeraj Jain	KMP	0.88	0.93
Mrs. Sagrika Vir	KMP	0.38	0.20
Mr. Rajeev Thapar	KMP	0.06	0.08
Mr. Sanjay Gupta	KMP	0.01	0.02
Mr. Suresh Kumar	KMP	-	0.01
Mrs. Harpreet Kaur Kang	KMP	-	0.01
Mr. Udeypaul Singh Gill	KMP	-	0.01
Mr. Atul Khosla	KMP	-	0.01
Mr. Prem Kumar	KMP	-	0.01
		14.59	**13.95**

* Also Refer Note 40

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

46.4 Key management personnel compensation*

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Mr. S.P. Oswal	KMP	22.04	22.78
Mrs. Suchita Jain	KMP	3.52	3.28
Mr. Neeraj Jain	KMP	3.87	3.49
Mrs. Sagrika Vir	KMP	1.80	1.12
Mr. Rajeev Thapar	KMP	1.16	1.11
Mr. Sanjay Gupta	KMP	0.28	0.27
Mr. Prafull Anubhai	KMP	-	0.05
Mr. Suresh Kumar	KMP	0.09	0.09
Mrs. Harpreet Kaur Kang	KMP	0.07	0.07
Mr. Udeypaul Singh Gill	KMP	0.07	0.08
Mr. Atul Khosla	KMP	0.05	0.04
Mr. Prem Kumar	KMP	0.04	0.04
Mr. Arvind Sahay	KMP	0.03	-
		33.02	**32.42**

* 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, 2026	For the year ended March 31, 2025
National Pension Scheme	4.12	2.96
Provident fund administered through Regional Provident Fund Commissioner	45.96	45.79
Employees' State Insurance Corporation	10.59	11.27
Other funds	1.72	1.75
	62.39	**61.77**

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".

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 Code on Social Security, 2020 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.

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, 2026	As at March 31, 2025
Retirement Age(years)	58	58
Attrition Rate:		
Upto 30 Years	5	5
From 31 to 44 Years	5	5
Above 44 Years	5	5
Discount Rate	7.78%	6.99%
Salary increase	6.00%	6.00%
Expected average remaining working life	11.80	26.32
Mortality Rates	IALM (2012-14)	IALM (2012-14)
Method used	Project unit credit method	Project unit credit method

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuation 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, 2026	March 31, 2025
Current Service cost	15.11	14.74
Past service cost and (gain) /loss from settlements	30.51	-
Curtailment due to Non routine settlements	(7.84)	-
Net interest expenses	0.27	(0.07)
	38.05	**14.67**

The current service cost, past service cost and the net interest expenses for the year are included in Note 33 "Employee Benefits Expenses" under the head "Salaries and Wages".

(iv) Amounts recognised in Other Comprehensive Income:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Actuarial gain/(losses) arising for the year on asset	(3.79)	0.35
Actuarial gain/(losses) arising from changes in financial assumptions	5.64	(2.30)
Actuarial gain/(losses) arising from changes in experience adjustments	3.14	2.98
	4.99	**1.03**

(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, 2026	March 31, 2025
Present value of funded defined benefit obligation	142.37	116.43
Fair Value of Plan Assets	120.51	112.56
Net assets / (liability)	**(21.86)**	**(3.87)**

Notes to Standalone Financial Statements for the year ended March 31, 2026

(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, 2026	March 31, 2025
Opening defined benefit obligation	116.43	104.59
Current Service Cost	15.11	14.74
Interest Cost	8.14	7.55
Past service cost including curtailment gains/losses	30.51	-
Curtailment due to Non Routine settlements	(7.84)	-
Actuarial (gain)/losses arising from changes in financial assumptions	(5.64)	2.30
Actuarial (gain)/losses arising from changes in experience adjustments	(3.14)	(2.98)
Benefits paid	(11.20)	(9.77)
Closing defined benefit obligation	**142.37**	**116.43**

(vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Opening fair value of plan assets	112.56	105.60
Return on plan assets (excluding amounts included in net interest expenses)	4.08	7.97
Contributions from employer	3.87	-
Benefits paid	-	(1.01)
Closing fair value of plan assets	**120.51**	**112.56**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 6.70 years (2025: 13.79 years). The Company expects to make a contribution of ₹21.16 crores (March 31, 2025: ₹17.53 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, 2026	As at March 31, 2025
Discount Rate		
0.50% Increase	(4.40)	(4.97)
0.50% decrease	4.71	5.39
Future Salary increase		
0.50% Increase	4.47	5.24
0.50% decrease	(4.23)	(4.88)

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

(ix) Maturity Profile of Defined Benefit Obligation

	Year	Amount
a)	0 to 1 Year	21.55
b)	1 to 2 Year	19.56
c)	2 to 3 Year	11.77
d)	3 to 4 Year	10.29
e)	4 to 5 Year	9.30
f)	5 to 6 Year	6.99
g)	6 Year onwards	62.91

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 ₹7.66 crore (March 31, 2025 : ₹8.26 crore)

(ii) Amount taken to balance sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Current	7.01	4.56
Non Current	18.28	18.97

47.4 Impact of Labour Code

The Government of India, vide Notification dated November 21, 2025, has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"), which consolidate and replace existing multiple labour legislations. In accordance with Ind AS 19 – Employee benefits, changes to employee benefit plans resulting from the new labour codes are treated as plan amendments, requiring immediate recognition of past service cost as expense in the statement of profit and loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. In view of this, the Company has evaluated the impact and recognised past service costs amounting to ₹32.48 crores which has been included under employee benefit expenses for the year ended March 31, 2026. Further, during the current year, the Company has made changes to salary structure and recognised additional impact in the past service cost amounting to ₹8.90 crores which has been included in employee benefit expenses.

Further, the Company continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/ additional guidance from authorities and will continue to assess the accounting implications basis such developments/ guidance, if required.

47.5 Employee benefit expenses includes amount paid to contractor for wages of ₹44.20 crore (March 31, 2025 : ₹48.00 crore)

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

48 Assets pledged as security:

Particulars	As at March 31, 2026	As at March 31, 2025
Current assets		
Financial assets		
Trade receivables	1,294.99	1,288.80
Non-financial assets		
Inventory	3,581.90	3,681.80
Total current assets pledged as security	**4,876.89**	**4,970.60**
Non-current assets		
Property, plant & equipment (Including Capital work-in progress)	5,602.29	4,326.72
Total non-current assets pledged as security	**5,602.29**	**4,326.72**
Total assets pledged as security	**10,479.18**	**9,297.32**

49 Corporate Social Responsibility (CSR) :

	As at March 31, 2026	As at March 31, 2025
a. Amount required to be spent by the company during the year	17.35	24.07
b. Amount of expenditure incurred*	9.68	5.30
c. Shortfall at the end of the year (a-b)	7.67	18.77
d. Total of previous years shortfall (2022-23)	-	4.77
e. Total of previous years shortfall (2023-24)	5.46	12.76
f. Total of previous years shortfall (2024-25)	12.71	-
Total shortfall at year end	**25.84**	**36.30**
g. Movement of provision:		
-Opening	36.30	24.51
-Provision created during the year:	17.35	24.07
-Spent during the year for FY 2021-22	-	(0.51)
-Spent during the year for FY 2022-23	(4.77)	(2.52)
-Spent during the year for FY 2023-24	(7.30)	(3.95)
-Spent during the year for FY 2024-25	(6.06)	(5.30)
-Spent during the year for FY 2025-26	(9.68)	-
-Closing	**25.84**	**36.30**

***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 Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 2025-26	FY 2024-25	FY 2023-24
1. Unspent CSR amount deposited in special account (Unspent CSR Account)	7.67	18.77	16.71
2. Spent during the year for FY 2023-24	-	-	-
3. Spent during the year for FY 2024-25	-	-	(3.95)
4. Spent during the year for FY 2025-26	-	(6.06)	(7.30)
Balance lying in the bank account which will be spent in coming years as on March 31, 2026 {1-(2+3+4)}	**7.67**	**12.71**	**5.46**
Date of deposit	27-Apr-26	28-Apr-25	29-Apr-24

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 accounting softwares the audit trail (edit log) feature was enabled throughout the year. The audit trail that was enabled and operated for the year ended March 31, 2025, has been preserved by the Company as per statutory requirements for record retention.

52 During the previous year, the company has reclassified government grant receivable from "Other Non-Current Assets" to Other Financials Assets (Non-Current) amounting to ₹55.31 crores against which provision for expected credit loss was recognized of ₹15.79 crores which has been further increased to ₹21.29 crores pursuant to delay risk . The Company is following up with the appropriate authority and filed writ petition at Hon'ble High court for the recovery of the same.

53 During the previous year, the company has reclassified MP State subsidy recoverable on term loan interest and Capital Subsidy recoverable on term loan under TUF from "Other Current Assets" to Other Financials Assets (Non-Current) amounting to ₹36.95 crores and ₹33.49 crores respectively.

54 On May 01, 2023, the Company executed the Share Subscription and Shareholder's Agreement along with the Power Purchase Agreement to acquire 31.20% equity stake in one or more tranches in Renew Green (MPR One) Private Limited, the investee company (a wholly owned subsidiary of Renew Green Energy Solutions Private Limited), for setting up of the 11.5 MW Wind Solar Hybrid power plant in the state of Madhya Pradesh. On June 24, 2025, the Company completed its part of the transaction by investing a total of ₹16.67 crores in the Renew Green (MPR One) Private Limited and accordingly got allotment of total 755 equity shares of Face value ₹10 each. The Company doesn't have any board position but has right to appoint only non-participating observer in the board which neither creates any significant influence or control over the investee and accordingly, the later is not being construed as an Associate in terms of Ind AS 28, "Investments in Associates and Joint Ventures" & Companies Act 2013 and therefore,the investments are measured at FVTPL and the financial statements of the same are not required to be consolidated in the financial results of the Group in terms of Ind AS 110.

55 On November 25, 2025, the Company has executed the Share Subscription and Shareholder's Agreement along with the Power Purchase Agreement to acquire 19.50% equity stake in one or more tranches in Sone Solar Energy One Private Limited, the investee company (a wholly owned subsidiary of ASG HOLDCO BETA PTE. Limited), for setting up of the 22.5 MW Solar power plant in the state of Punjab and the Company has made the part of the transaction by investing a total of ₹5.05 crores in the Sone Solar Energy One Private Limited and accordingly got allotment of total 23,161 equity shares of Face value ₹10 each and 50,28,961 Compulsory Convertible Debentures of Face value ₹10 each which is convertible into equity shares in 1:1 ratio at the maturity . The Company doesn't have any board position but has right to appoint only non-participating observer in the board which neither creates any significant influence or control over the investee and accordingly, the later is not being construed as an Associate in terms of Ind AS 28, "Investments in Associates and Joint Ventures" & Companies Act 2013 and

Notes to Standalone Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

therefore, the investments are measured at FVTPL and the financial statements of the same are not required to be consolidated in the financial results of the Group in terms of Ind AS 110.

56 Project and Pre Operative Expenses related to Technical Textile unit (Baddi) capitalized during the year

Particulars	Amount(in crores)
Expenses incurred during the year:	
Raw materials consumed(Net of Trial run production)	0.12
Employee benefits expenses	
- Salaries and wages	6.40
- Contribution to provident and other funds	0.52
- Staff welfare expenses	0.15
Other Expenses	2.95
Less: Sale of products and other income	(0.64)
Total Expenses Capitalised	**9.50**

57 Other statutory information:

(i) 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).

(ii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(iii) 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.

(iv) 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).

(v) 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).

(vi) 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.

(vii) During the financial year, the Company has not traded or invested in Crypto currency or Virtual Currency.

(viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) 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.

(x) The Board of Directors of Company have proposed the final dividend of ₹5 per fully paid 28,92,81,800 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 Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

58 Ratios:

Particulars	Numerator	Denominator	Year ended March 31, 2026	Year ended March 31, 2025	%age change	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	4.17	4.80	-13.05%	-
(b) Debt-Equity Ratio	Total Debt (excluding lease liabilities)	Shareholder's Equity	0.18	0.13	40.88%	Refer note 1
(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	4.72	7.23	-34.72%	Refer note 2
(d) Return on equity ratio	Net profits after taxes	Average shareholder's equity	7.49%	9.56%	-21.71%	-
(e) Inventory turnover ratio	Revenue from operations	Average Inventory	2.66	2.46	7.96%	-
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	7.47	7.69	-2.81%	-
(g) Trade payables turnover ratio	Total purchases	Average Trade payables	12.28	12.46	-1.44%	-
(h) Net Capital turnover ratio	Revenue from operations	Working Capital = Current Assets - Current Liabilities	1.90	2.00	-4.88%	-
(i) Net Profit ratio	Net profits after taxes	Revenue from operations	7.67%	9.17%	-16.39%	-
(j) Return on capital employed	Earnings before interest and taxes	Capital Employed	8.37%	11.06%	-24.28%	-
(k) Return on investment	Investment Income	Average Investments	10.64%	13.91%	-23.54%	-

Remarks for more than 25 % change in ratios of FY 2025-26 as compared to FY 2024-25:

1. This ratio has increased due to increase in borrowings during the current year
2. This ratio has decreased due to increase in borrowings and finance costs.

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 Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 07, 2026

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 2026, 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, 2026, and their consolidated profit, their consolidated other 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Uncertain income-tax positions - Refer to Notes 2.18, 2.24.6, 2.24.7, 36 and 38 to the consolidated financial statement** 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. Given the materiality of the amount involved and the judgment involved, this matter was considered to be a Key Audit Matter.	Principal audit procedure performed included the following: • 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. • We obtained details of complete income tax matters from the Parent's internal tax experts during the year ended March 31, 2026. • 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. • Assessed the adequacy of the disclosures made in the financial statements.
2	**Property, Plant & Equipment and Capital work-in-progress –** **(Refer Note 2.14, 2.24.4, 55 and 3A)** During the year, the Parent undertook significant modernisation and up-gradation initiatives across its manufacturing facilities resulting significant additions to Property, Plant and Equipment and Capital Work-in-Progress. The recognition and measurement of such expenditure involve significant management judgment, particularly in determining whether costs incurred qualify for capitalisation under Ind AS 16, the identification of the date when the assets are available for their intended use, and the assessment of appropriate depreciation commencement date. Given the materiality of the capital expenditure and the judgment involved, this matter was considered to be a Key Audit Matter.	Principal audit procedures performed included the following: • Obtained an understanding of the modernisation and up-gradation projects and performed design, implementation and operating effectiveness of key internal controls over approval, and review of capitalisation of Property, plant and equipment including capital expenditure; • Evaluated the Parent's accounting policies relating to capitalisation of property, plant and equipment and assessed their compliance with the requirements of Ind AS 16; • Performed substantive testing on sample basis of capitalised costs by: - verifying underlying supporting documents such as vendor invoices, purchase orders, contracts, goods receipt notes etc; - assessing whether the costs capitalised were directly attributable to bringing the assets to the location and condition necessary for their intended use; • Physically verified, on a sample basis, newly capitalised assets to confirm their existence; • Assessed the reasonableness of the useful lives considered on test check basis and tested the accuracy of depreciation calculations; • Assessed the adequacy and appropriateness of related disclosures in the consolidated financial statements.

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, 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 with reference to consolidated 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 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 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

(a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹398.68 crores as at March 31, 2026, total revenues of ₹323.09 crores and net cash inflows amounting to ₹2.26 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 ₹50.06 crores for the year ended March 31, 2026, 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, 2026 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, 2026 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 Company did not have any long-term contracts including derivative contracts for which there were any material forseeable losses - Refer Note 38(e) (iii) to the Consolidated financial statements.

        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. – Refer note 49 to the consolidated financial statements.

        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 and 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 and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (c) Based on the audit procedures 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 and the interim dividend declared and paid by the associate and subsidiary 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 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 (refer note 50A and 50B to the consolidated financial statements):

            - The Parent has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2026 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). Further, during the course of audit, we did not come across any instances of audit trail feature being tempered with.

            Additionally, the audit trail has been preserved by the Parent as per the statutory requirements for record retention.

- 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, 2026 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 in respect of one software wherein we are unable to comment on audit trail at database level due to absence of adequate coverage in SOC report of software " SAP S/4 HANA" which has been using from 1st July , 2025 to 31st March, 2026.

  Further, the audit trail facility in the software wherein the audit trail feature was enabled till 30th June, 2025. The said software 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, except for the instances mentioned below, the associate has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the respective softwares:

  - In respect of one accounting software used for maintenance of purchase, production & sales records (operated from 1 April 2025 till 30 June 2025), the edit logs for changes made to the audit trail feature was not available throughout the period and hence, we are unable to determine whether changes to the audit trail feature were made during the period of its operation.

  - In respect of the accounting software used for maintenance of books of accounts (operated from1 July 2025 till 31 March 2026), the feature of recording audit trail (edit log) facility was not enabled at the application level for certain tables/fields relating to financial reporting, purchase to payables, revenue to receivables, fixed asset management, payroll, production and inventory and other allied areas of accounting software. Further, the audit trail feature was not enabled at the database level to log any direct data changes

- In respect of other associate, the other auditor has reported that, the associate has 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 for all relevant transactions recorded in the software during the period January 01, 2026 to March 31, 2026. However, in cases where existing master records originally created prior to January 01, 2026 were subsequently modified, the previous values of such records were not captured in the audit logs, as described in Note 50B to the consolidated financial statements. Accordingly, we are unable to comment upon whether during the year there was any instance of audit trail feature being tampered with in respect of the accounting software. Additionally, for the reasons stated in Note 50B to the consolidated financial statements, we are unable to comment on whether the audit trail as per the applicable requirements has been preserved by the Company as per the statutory requirements for record retention in respect of the year ended March 31, 2024 and March 31, 2025.

- 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. Therefore, the provisions of Rule 11(g) are not applicable to the associate.

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

Kanav Kumar
(Partner)
(Membership No. 507230)
(UDIN: 26507230OWRIDH7052)

Place: Noida
Date: May 07, 2026

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, 2026, 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, 2026, 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:26507230OWRIDH7052)

Place: Noida
Date: May 07, 2026

Consolidated Balance Sheet

as at March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	5,065.29	4,121.08
(b) Capital work-in-progress	3A	586.20	251.91
(c) Right-of-Use Asset	43	18.78	19.06
(d) Intangible Assets	3B	7.83	7.82
(e) Goodwill	4	2.46	2.46
(f) Financial assets			
(i) Investment in associates	5A	238.96	243.04
(ii) Investments	5B	582.84	1,138.03
(iii) Loans	6A	0.91	1.21
(iv) Others financial assets	6B	55.86	63.26
(g) Income tax assets (net)	14	92.06	77.51
(h) Other non-current assets	7	240.93	202.11
Total Non-current assets		**6,892.12**	**6,127.49**
Current assets			
(a) Inventories	8	3,643.28	3,761.48
(b) Financial assets			
(i) Investments	9	1,006.42	462.52
(ii) Trade receivables	10	1,305.76	1,297.57
(iii) Cash and cash equivalents	11	43.30	53.56
(iv) Bank balances other than above	11A	40.05	35.46
(v) Loans	12	1.76	2.14
(vi) Other financial assets	13	67.76	116.80
(c) Other current assets	15	864.64	575.08
(d) Assets held-for-sale	15A	0.46	-
Total Current assets		**6,973.43**	**6,304.61**
TOTAL ASSETS		**13,865.55**	**12,432.10**
Equity and Liabilities			
Equity			
(a) Equity share capital	16	56.92	56.90
(b) Other equity	17	10,456.82	9,839.12
Equity attributable to the owners of the Company		**10,513.74**	**9,896.02**
(c) Non-controlling interests		74.05	69.62
Total Equity		**10,587.79**	**9,965.64**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,230.78	748.99
(ii) Lease Liability	19A	0.20	0.19
(iii) Other financial liabilities	19	2.93	0.59
(b) Provisions	20	18.28	19.48
(c) Deferred tax liabilities (Net)	21	335.48	323.48
(d) Other non-current liabilities	22	10.58	11.68
Total Non-current liabilities		**1,598.25**	**1,104.41**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	624.00	489.08
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		50.74	51.05
(b) total outstanding dues of trade payables other than micro enterprises and small enterprises		446.01	445.56
(iii) Other financial liabilities	25	418.17	247.32
(b) Other current liabilities	27	98.89	81.48
(c) Provisions	26	7.73	4.68
(d) Income tax liabilities (net)	14	33.97	42.88
Total Current liabilities		**1,679.51**	**1,362.05**
TOTAL EQUITY AND LIABILITIES		**13,865.55**	**12,432.10**
See accompanying notes to the consolidated financial statements	1 - 57		

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 Managing Director
DIN:00746471

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

Place : Noida
Date: May 07, 2026

Place : Ludhiana
Date: May 07, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
I	**Revenue from operations**	28	9,869.05	9,784.88
II	Other income	29	223.48	335.96
III	**Total Income (I+II)**		**10,092.53**	**10,120.84**
IV	**Expenses :**			
	Cost of materials consumed	30	5,379.99	5,425.64
	Purchases of stock-in-trade	31	31.80	10.39
	Changes in inventories of finished goods, work-in-progress and stock-in trade	32	34.31	(34.64)
	Employee benefits expense	33	930.51	887.49
	Finance costs	34	92.49	77.28
	Depreciation and amortization	3A, 3B & 43	464.53	400.92
	Other expenses	35	2,253.83	2,233.25
	Total Expenses		**9,187.46**	**9,000.33**
V	**Profit before tax (III-IV)**		**905.07**	**1,120.51**
VI	Share of profit of associates		50.06	47.73
VII	**Profit before tax (V+VI)**		**955.13**	**1,168.24**
VIII	**Tax expense:**	36		
	Current tax		190.02	242.81
	Deferred tax		11.91	38.71
IX	**Profit for the year (VII-VIII)**		**753.20**	**886.72**
X	**Other Comprehensive Income**	17		
	Items that will not be reclassified to profit or loss			
	(a) (i) Remeasurements of the defined benefits plans		5.08	1.14
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.28)	(0.29)
	(b) Share of other comprehensive income from associates, to the extent not be reclassified to profit and loss		0.20	(0.08)
	(c) (i) Equity instruments through other comprehensive income		0.36	0.39
	(ii) Income taxes relating to items that will not be reclassified to profit or loss		(0.09)	(0.32)
XI	**Total other comprehensive income**		**4.27**	**0.84**
XII	**Total comprehensive income for the year (IX+XI)**		**757.47**	**887.56**
	Profit attributable to:			
	- Owners of the Company		745.25	883.27
	- Non-controlling interests		7.95	3.45
			753.20	**886.72**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		4.25	0.86
	- Non-controlling interests		0.02	(0.02)
			4.27	**0.84**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		749.50	884.13
	- Non-controlling interests		7.97	3.43
			757.47	**887.56**
	Earnings per equity share (amount in ₹)	41		
	(1) Basic		26.18	31.05
	(2) Diluted		26.18	31.05
	See accompanying notes to the consolidated financial statements	1 - 57		

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 Managing Director
DIN:00746471

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

Place : Noida
Date: May 07, 2026

Place : Ludhiana
Date: May 07, 2026

Consolidated Statement of Cash Flow

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	955.13	1,168.24
Adjustments for:		
Share of profit of associates	(50.06)	(47.73)
Interest Expense	76.26	58.82
Gain on Fair valuation of Investment (net)	(71.01)	(98.48)
Subsidy from Government	(1.38)	(1.55)
Interest income	(14.21)	(37.04)
Dividend on current investments	(2.61)	(0.22)
Net gain on sale / discarding of property, plant and equipment	(37.31)	(44.42)
(Profit)/Loss on sale of Investments (Net)	(22.34)	(49.77)
Provision no longer required written back(Net)	(3.74)	(4.53)
Asset written off	3.76	1.91
Bad debt written off	2.36	9.95
Allowances for doubtful trade receivables and advances written back (net)	5.50	0.51
Depreciation and amortisation	464.53	400.92
ESOP provision created	5.94	8.52
Derivative financial Instrument	123.73	2.48
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(10.55)	(87.77)
Inventories	118.20	418.41
Loans	0.68	0.16
Other assets (Current)	(289.57)	15.01
Other assets (Non-current)	(5.33)	18.49
Other financial assets (Current)	49.63	(6.17)
Other financial assets (Non Current)	2.18	2.61
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	3.87	142.80
Provisions (Current and Non-curent)	1.85	2.09
Other financial liabilities (Current)	(7.72)	3.69
Other financial liabilities (Non-Current)	2.34	(0.16)
Other liabilities (Non-current)	(0.08)	(0.12)
Other liabilities (Current)	22.83	5.24
Cash generated from operations	**1,322.88**	**1,881.89**
Income taxes paid (net of refund received)	(214.76)	(238.09)
Net cash generated from/ (used in) operating activities	**1,108.12**	**1,643.80**

Consolidated Statement of Cash Flow (Contd.)

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Investments (Non-current)	141.83	54.57
Purchase of current investments (net of proceeds from sale)	(36.84)	(27.81)
Interest received	11.74	13.95
Payment for purchase of property, plant and equipment, (Including capital work in progress, intangible assets and capital advances)	(1,737.94)	(1,032.62)
Bank balances not considered as cash and cash equivalents	(2.99)	12.07
Proceeds from disposal of property, plant and equipment	50.84	63.89
Dividend received from associates	52.09	24.16
Dividend received from other investments	4.86	0.17
Net cash generated from/ (used in) investing activities	**(1,516.41)**	**(891.63)**
C CASH FLOW FROM FINANCING ACTIVITIES*		
Proceeds from equity share capital/share application	4.55	-
Proceeds from borrowings (non-current)	661.26	421.13
Repayment of borrowings (non-current)	(83.31)	(538.67)
Proceeds/Repayment of borrowings (current)	38.94	(435.43)
Dividends on equity share capital paid	(145.78)	(118.44)
Interest Paid	(77.63)	(61.50)
Net cash generated from/(used) in financing activities	**398.03**	**(732.91)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(10.26)**	**19.26**
Cash and cash equivalents at the beginning of the year	53.56	34.30
Cash and cash equivalents at the end of the year	**43.30**	**53.56**

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

See accompanying notes to the consolidated financial statements 1 - 57

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kanav Kumar
Partner

Place : Noida
Date: May 07, 2026

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 Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 07, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026 Corporate Identity Number (CIN): L17111PB1973PLC003345

(All amounts in ₹ crores, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 01, 2024	**56.90**
Issue of equity shares under employee stock option plan (Refer note 44)	-
Balance as at March 31, 2025	**56.90**
Issue of equity shares under employee stock option plan (Refer note 44)	**0.02**
Balance as at March 31, 2026	**56.92**

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	
Balance as at April 1, 2024	-	**0.40**	**14.27**	**40.43**	**52.58**	-	**1,517.06**	**7,415.96**	**2.55**	**9,043.25**
Profit for the year	-	-	-	-	-	-	-	883.27	-	883.27
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	0.85	(0.01)	0.84
Total comprehensive income for the year	-	-	-	-	-	-	-	**884.12**	**(0.01)**	**884.11**
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
Balance as at March 31, 2025	-	**0.40**	**15.38**	**40.43**	**52.58**	**8.52**	**1,517.06**	**8,202.21**	**2.54**	**9,839.12**

Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2026 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	-	-	-	-	-	-	-	745.25	-	745.25
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	3.80	0.47	4.27
Total comprehensive income for the year	-	-	-	-	-	-	-	**749.05**	**0.47**	**749.52**
Final Equity Dividend for the financial year 2024-25 (Amount ₹5 per share)	-	-	-	-	-	-	-	(142.29)	-	**(142.29)**
Share Application Money received under employee stock options.	4.55	-	-	-	-	-	-	-	-	**4.55**
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(4.55)	-	-	-	4.53	-	-	-	-	**(0.02)**
Transfer to retained earnings on lapse of stock options	-	-	-	-	1.24	(1.24)	-	-	-	-
Security Premium on exercise of stock options	-	-	-	-	0.75	(0.75)	-	-	-	-
ESOP provision created	-	-	-	-	-	5.94	-	-	-	5.94
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.79	-	-	-	-	(0.79)	-	-
Balance as at March 31, 2026	-	**0.40**	**16.17**	**40.43**	**59.10**	**12.47**	**1,517.06**	**8,808.18**	**3.01**	**10,456.82**

See accompanying notes to the consolidated financial statements 1 - 57

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kanav Kumar
Partner

Place : Noida
Date: May 07, 2026

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 Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 07, 2026

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(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 and is presently governed by the Companies Act, 2013. It 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 of India Limited(NSE) and BSE Limited (formerly the Bombay Stock Exchange).

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 07, 2026.

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 Rule3 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.

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.

Going Concern

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the group has applied the going concern basis of accounting in preparing the consolidated financial statements.

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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 or fulfillment 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. Performance obligation is satisfied or fulfilled at the time of dispatch or delivery of goods depending upon the terms agreed with the customer.

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 towards 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 (i.e. only the passage of time is required before payment of the consideration is due). Trade receivables that do 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 asset 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

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. 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 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

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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:

a. its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates

b. any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

c. 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.

Depreciation is provided on Straight Line Method less the residual value over the useful lives estimated by the management of such assets after considering the useful life 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.

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.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

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 on asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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):

a. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

b. 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):

a. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

b. 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.

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

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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:

a. it has been acquired principally for the purpose of selling it in the near term; or

b. 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

c. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

2.19.2 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:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. 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

c. 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

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

2.19.2.3 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.

2.19.5 In Balance sheet, cash and cash equivalent is comprised of cash (i.e. cash on hand & on demand deposits) and cash equivalents (generally with original maturity of 3 months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to insignificant risk of change in value.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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),
- 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:-

a. in Vardhman Special Steels Limited (VSSL):- 20.08 percent ownership interest

b. in Vardhman Spinning and General Mills Limited(VSGM):- 50.00 percent ownership interest

c. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2025 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.

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 Expected Credit Loss

The measurement of expected credit losses is a function of probability of default, loss given default (i.e. magnitude of loss on default) and the exposure at default. The assessment of expected credit loss performed by the management for financial assets is based upon the estimation of difference between all contractual cash flows and all cash flows that the group expects to receive, after considering the original effective interest rate. While making the assessment the group also considers history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.24.10 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, 2026, 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, 2026. 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. MCA has not notified any new standards or amendment to the existing standards applicable to the company as at March 31, 2026.

Further, Ind AS 118, Presentation and Disclosure in Financial Statements, has been issued by ICAI and is effective for annual periods beginning on or after April 1, 2027. The Company is evaluating the impact of the Standard on its financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Net carrying amount of		
Freehold land	124.69	123.98
Buildings	1,194.54	1,105.54
Plant and equipment	3,693.32	2,846.24
Furniture and fixtures	18.38	16.86
Vehicles	13.37	11.49
Office equipment	20.99	16.97
Total Property, plant and equipment	**5,065.29**	**4,121.08**
Capital work-in-progress	586.20	251.91
	5,651.49	**4,372.99**

Gross carrying amount	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
As at April 01, 2024	**122.13**	**1,415.27**	**5,022.11**	**27.45**	**22.28**	**73.86**	**6,683.10**
Addition	3.48	64.67	719.89	5.15	2.39	6.12	801.70
Disposal/Adjustment	(1.63)	(1.08)	(63.14)	(0.25)	(2.64)	(1.19)	(69.93)
As at April 01, 2025	**123.98**	**1,478.86**	**5,678.86**	**32.35**	**22.03**	**78.79**	**7,414.87**
Addition	0.71	142.31	1,257.38	4.33	4.65	11.63	1,421.01
Disposal/Adjustment	-	(5.10)	(57.09)	(0.05)	(2.12)	(1.77)	(66.13)
As at March 31, 2026	**124.69**	**1,616.07**	**6,879.15**	**36.63**	**24.56**	**88.65**	**8,769.75**
Accumulated depreciation							
As at April 01, 2024	**-**	**326.19**	**2,539.07**	**13.15**	**10.48**	**56.70**	**2,945.59**
Depreciation	-	47.58	340.02	2.53	2.04	6.17	398.34
Disposal/Adjustment	-	(0.45)	(46.47)	(0.19)	(1.98)	(1.05)	(50.14)
As at April 01, 2025	**-**	**373.32**	**2,832.62**	**15.49**	**10.54**	**61.82**	**3,293.79**
Depreciation	-	48.85	397.89	2.80	2.05	7.48	459.07
Disposal/Adjustment	-	(0.64)	(44.68)	(0.04)	(1.40)	(1.64)	(48.40)
As at March 31, 2026	**-**	**421.53**	**3,185.83**	**18.25**	**11.19**	**67.66**	**3,704.46**
Net carrying amount							
As at April 01, 2024	**122.13**	**1,089.08**	**2,483.04**	**14.30**	**11.80**	**17.16**	**3,737.51**
Addition	3.48	64.67	719.89	5.15	2.39	6.12	801.70
Disposal/Adjustment	(1.63)	(0.63)	(16.67)	(0.06)	(0.66)	(0.14)	(19.79)
Depreciation	-	(47.58)	(340.02)	(2.53)	(2.04)	(6.17)	(398.34)
As at April 01, 2025	**123.98**	**1,105.54**	**2,846.24**	**16.86**	**11.49**	**16.97**	**4,121.08**
Addition	0.71	142.31	1,257.38	4.33	4.65	11.63	1,421.01
Disposal/Adjustment	-	(4.46)	(12.41)	(0.01)	(0.72)	(0.13)	(17.73)
Depreciation	-	(48.85)	(397.89)	(2.80)	(2.05)	(7.48)	(459.07)
As at March 31, 2026	**124.69**	**1,194.54**	**3,693.32**	**18.38**	**13.37**	**20.99**	**5,065.29**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Notes on property, plant and equipment

1 Refer to note 18(a) for information on property, plant and equipment pledged as security by the Group.

2 The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹52.35 Crores (FY 2024-25 ₹76.62 Crores) (related to non cenvatable portion of total duty saved) for financial year 2025-26, such benefit is related to Property, Plant and Equipment and Capital work in progress.

3 The Group has used the option to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

4 Capital-work-in progress (CWIP):

Particulars	Amount
As at April 01, 2024	**60.79**
Additions	992.82
Transfer to Property, plant and equipment	(801.70)
As at March 31, 2025	**251.91**
Additions	1,755.30
Transfer to Property, plant and equipment	(1,421.01)
As at March 31, 2026	**586.20**

5 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, 2026	546.18	38.17	0.93	0.92	586.20
As at March 31, 2025	245.40	4.64	0.22	1.65	251.91

6 There are no overdue or cost overrun projects compared to its original plan on the above mentioned reporting dates.

7 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 transferor 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.

8 During the previous year a portion of land amounting to ₹1.40 crores and ₹0.22 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.

9 For detail of expense capitalised during trial run refer note 55

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

3B Other intangible assets

Particulars	As at March 31, 2026	As at March 31, 2025
Net carrying amount of		
Computer softwares	3.17	2.20
Contribution to Common Effluent Treatment Plant (CETP)	-	-
Right to use power lines	4.66	5.62
	7.83	**7.82**

Gross carrying amount	Computer Softwares	Contribution to Common Effluent Treatment Plant (CETP)	Right to use power lines	Total
Balance as at March 31, 2024	**16.22**	**0.63**	**12.40**	**29.25**
Addition	0.45	-	-	0.45
Disposal	(0.08)	-	-	(0.08)
Balance as at March 31, 2025	**16.59**	**0.63**	**12.40**	**29.62**
Addition	1.89	-	3.29	5.18
Disposal	-	-	-	-
Balance as at March 31, 2026	**18.48**	**0.63**	**15.69**	**34.80**
Accumulated amortisation				
Balance as at March 31, 2024	**13.77**	**0.63**	**5.21**	**19.61**
Amortization expenses	0.70	-	1.57	2.27
Disposal	(0.08)	-	-	(0.08)
Balance as at March 31, 2025	**14.39**	**0.63**	**6.78**	**21.80**
Amortization expenses	0.92	-	4.25	5.17
Disposal	-	-	-	-
Balance as at March 31, 2026	**15.31**	**0.63**	**11.03**	**26.97**
Net Carrying amount				
Balance as at March 31, 2024	**2.45**	**-**	**7.19**	**9.64**
Addition	0.45	-	-	0.45
Amortisation expenses	(0.70)	-	(1.57)	(2.27)
Balance as at March 31, 2025	**2.20**	**-**	**5.62**	**7.82**
Addition	1.89	-	3.29	5.18
Amortisation expenses	(0.92)	-	(4.25)	(5.17)
Balance as at March 31, 2026	**3.17**	**-**	**4.66**	**7.83**

Note: These intangible assets are not internally generated

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

4 Goodwill*

Particulars	As at March 31, 2026	As at March 31, 2025
Deemed Cost	2.46	2.46
Additions	-	-
Disposal	-	-
Carrying Value at the end	**2.46**	**2.46**

* 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, 2026	As at March 31, 2025
Vardhman Acrylics Limited	2.46	2.46
	2.46	**2.46**

Vardhman Acrylics Limited

No indications for impairment. No impairment losses have been recognised.

5A Investments in Associates

Particulars	As at March 31, 2026	As at March 31, 2025
I TRADE INVESTMENTS (at cost/carrying value)		
Financial assets carried at cost		
a. Break up of equity investments in associates (carrying amount determined using equity method of accounting)		
i. Investment in Associates		
Quoted		
2,01,72,666 (March 31, 2025: 2,01,72,666) Equity shares of ₹10/- each fully paid up of Vardhman Special Steels Limited	163.42	144.88
Unquoted		
62,69,699 (March 31, 2025: 62,69,699) Equity shares of ₹10/- each fully paid up of Vardhman Yarns & Threads Limited	75.48	98.10
25,000 (March 31, 2025 : 25,000) Equity shares of ₹10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.06	0.06
Total	**238.96**	**243.04**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

5B Other Investments (Non-Current)

Particulars	As at March 31, 2026	As at March 31, 2025
I Financial assets measured at fair value through Profit or Loss		
i. Investment in equity instruments (unquoted - at cost/carrying value)		
755 (March 31, 2025: NIL) Equity shares of ₹10 each fully paid up of Renew Green (MPR ONE) Private Limited (Refer Note 53)	16.67	-
23,161 (March 31, 2025: NIL) Equity shares of ₹10 each fully paid up of Sone Solar Energy One Private Limited (Refer Note 54)	0.02	-
II Financial assets measured at fair value through other comprehensive income		
(i) Investment in equity instruments (unquoted - at cost/carrying value)		
41,000 (March 31, 2025: 41,000) Equity-Shares of ₹10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 8 Company)	0.19	0.17
1,40,625 (March 31, 2025: 1,40,625) Equity shares of ₹10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	2.68	2.36
2,225 (March 31, 2025: 2,225) Equity shares of ₹10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.28	0.27
16,47,525 (March 31, 2025: 16,47,525) Equity Shares of Narmada Clean Tech Limited of ₹10/- each fully paid up	3.42	3.40
Other Investments:-		
III Financial assets measured at fair value through Profit and loss		
(i) Investment in Bonds/ Preference shares/ Debentures/Mutual Funds (quoted)		
** 6,660 (March 31, 2025: 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, 2025: 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, 2025:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹7,500/- each fully paid of IL&FS Financial Services Limited	-	-
NIL (March 31, 2025: 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
NIL (March 31, 2025: 2,49,98,750.062) units of ₹10 each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth Plan	-	30.98
NIL (March 31, 2025: 3,49,98,250.087) units of ₹10 each of Kotak FMP Series 292 - Direct Plan Growth	-	43.40
NIL (March 31, 2025: 4,99,97,500.120) units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 49 (1,823 Days) - Direct Plan Growth	-	61.89
NIL (March 31, 2025: 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
NIL (March 31, 2025: 2,99,98,500.075) units of ₹10 each of SBI FMP Series 42 - 1,857 Days -Direct Plan Growth	-	38.15
3,49,27,229.892 (March 31, 2025:3,49,27,229.892) 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)	47.43	44.36
NIL (March 31, 2025: 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
NIL (March 31, 2025: 1,25,00,000) units of ₹100 each of Nippon India ETF Nifty SDL - 2026 Maturity Growth	-	161.47
4,79,18,783.305 (March 31, 2025 : 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	62.41	58.33
14,55,82,797.441 (March 31, 2025 :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	186.46	174.28
9,67,53,749.637 (March 31, 2025 : 9,67,53,749.637) units of ₹10 each of Kotak Nifty SDL APR 2027 top 12 Equal Weighted Index Fund Direct Plan - Growth	124.97	116.50
NIL (March 31, 2025:24,998,750.062) units of ₹10 each of Aditya Birla Sunlife Fixed Term Plan Series-TI (1,837 Days) -Direct Growth	-	31.32
1,000 (March 31, 2025:NIL) 10.70% Bonds of ₹1,00,000 each of AU Small Finance Bank Limited BD23FB29	10.49	-
1,000 (March 31, 2025:NIL) 8.03% NCD of ₹1,00,000 each of Muthoot Finance Limited OP II NCD 20JN31	9.83	-
1,000 (March 31, 2025:NIL) 8.52% NCD of ₹1,00,000 each of Muthoot Finance Limited OP I NCD 07AP28	10.03	-
500 (March 31, 2025:NIL) 8.57% NCD of ₹1,00,000 each of Cholamandalam Investment and Finance Company Limited SR SD77 03JU32	4.97	-
500 (March 31, 2025 : NIL) 8.40% Bonds of ₹1,00,000 each of Cholamandalam Investment and Finance Company Limited 04MAY28	5.01	-
1,000 (March 31, 2025:NIL) 7.80% Bonds of ₹1,00,000 each of Hero Fincorp Limited 02JU27	10.22	-
500 (March 31, 2025:NIL) 9% Bonds of ₹1,00,000 each of Incred Financial Services Limited 24DC27	5.07	-
50,000 (March 31, 2025:NIL) 9.05% Bonds of ₹1000 each of Muthoot Fincorp Limited 16JL28	4.99	-

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
1,000 (March 31, 2025:NIL) 9.15% Bonds of ₹1,00,000 each of Piramal Finance Limited 17JUN27	10.76	-
1,00,000 (March 31, 2025:NIL) 9.30% Bonds of ₹1000 each of IIFL Finance Limited 21AP27	10.77	-
NIL (March 31, 2025: 47,657,528) Units of ₹10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	-	60.98
99,850,21.74 units (March 31, 2025: 99,850,21.74 units) of ₹10/- each fully paid-up of SBI CPSE BP SDL SEP 2026 50:50 INDEX-DIR-GR	12.85	12.03
NIL (March 31, 2025: 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
6,32,120.776 units (March 31, 2025: 263,993.01 units) of ₹10/- each fully paid-up of Motilal Oswal BSE Enhanced Value Index Fund - Direct Option	3.65	0.61
9,77,665.558 units (March 31, 2025: 400,634.36 units) of ₹10/- each fully paid-up of Nippon India Nifty Alpha Low Volatility 30 Index Fund - Direct Growth Plan (NNAGG)	3.10	0.60
1,70,497.279 units (March 31, 2025: 70,314.64 units) of ₹10/- each fully paid-up of Parag parikh Flexi Cap Fund -Direct Plan	3.11	0.60
463.72 units (March 31, 2025: NIL units) of ₹10/- each fully paid-up of Nippon India Growth Mid Cap Fund - Direct Growth Plan Growth Option	0.20	-
8,92,737.348 units (March 31, 2025: 4,56,221.64 units) of ₹10/- each fully paid-up of UTI Nifty 200 Momentum 30 Index Fund - Direct Plan -	3.23	0.89
ii. Investment in Preference shares/Debentures (Unquoted)		
250 (March 31, 2025:Nil) 9% Bonds of ₹7,500 each of Mercedez Benz Services India Private Limited	25.00	-
50,28,961 (March 31, 2025:NIL) Convertible Debentures of ₹10 each of Sone Solar Energy One Private Limited	5.03	-
Total 5B	**582.84**	**1,138.03**
1. Aggregate book value of quoted investments	692.97	1,276.68
2. Aggregate Market Value of quoted investments	1,113.37	1,535.10
3. Aggregate carrying value of unquoted investments	128.83	104.37

**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 31,2025 ₹ NIL).

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

6A Loans (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Loan to employees	0.91	1.21
	0.91	**1.21**

6B Other Financial Assets (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Fixed Deposits with banks more than twelve months maturity	7.92	3.15
Earmarked Deposits with banks	11.64	18.06
Interest Receivable	1.74	1.99
Government Grant Recievable**	55.31	55.31
Less: allowance for expected credit loss	(21.29)	(15.79)
Other Recoverable	0.54	0.54
	55.86	**63.26**

** Refer Note 50(C)

7 Other Non Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Non Financial Assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Capital advances	151.77	118.28
Balance with government authorities	6.50	6.62
Prepaid (Deferred) Expense for employee benefit	0.13	0.07
Prepaid expenses-others	2.72	2.75
Other Recoverable	5.48	-
Security deposits	74.33	74.39
	240.93	**202.11**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

8 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
(at cost or net realisable value, whichever is lower)		
Raw materials*	2,567.30	2,646.38
Work-in-progress	243.93	236.99
Finished Goods	701.26	742.23
Stores and Spares*	133.41	137.03
Less: Unrealised profit on consolidation#	(2.62)	(1.15)
	3,643.28	**3,761.48**
# Unrealised profit on consolidation for Raw material is ₹ (1.57) Crores, for Work-in-progress ₹ (0.52) Crores and for Finished goods is ₹ (0.53) Crores.		
*above items include goods in transit as per below		
Raw materials	180.04	356.08
Stores and Spares	5.82	9.72
	185.86	**365.80**

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹5,446.11 Crores (March 31, 2025: ₹5,401.38 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, 2026	As at March 31, 2025
Financial assets measured at fair value through Profit and loss		
Investment in Mutual Funds (Quoted)		
Nil (March 31, 2025: 4,99,97,500.125) units of ₹10 each of SBI FMP Series 41 - 1,498 Days -Direct Plan Growth	-	62.88
1,35,560.68 (March 31, 2025 : 54,118.33) units of ₹10 each of TATA Money Market Fund Plan - Growth	68.31	25.52
Nil (March 31, 2025 :1,27,167) units of ₹10 each of SBI Liquid Fund Direct Growth	-	51.58
NIL (March 31, 2025 : 1,00,18,972.192) units of ₹10 each of Bandhan Money Manager Fund	-	42.88
Nil (March 31, 2025 : 73,49,039.779) units of ₹10 each of HDFC Arbitrage Fund-Direct Growth	-	14.57
Nil (March 31, 2025 : 4,98,39,012.067) units of ₹10 each of Edelweiss CRISIL PSU Plus SDL OCT 2025 Index Fund	-	59.51
50 (March 31, 2025 : NIL) 9.40% Bonds of ₹10 Lakhs each of TVS Credit Services Limited	5.01	-
50,929.74 (March 31, 2025 : NIL) units of ₹1000 each of Bandhan Overnight Fund Direct Growth	7.31	-
13,00,000 (March 31, 2025 : NIL) units of ₹100 each of Energy Infrastructure Trust	10.14	-

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
1,96,635 (March 31, 2025 : NIL) units of ₹100 each of Raajmarg Infra Investment Trust	2.16	-
4,19,923 (March 31, 2025 : NIL) units of ₹100 each of Ingrid Infrastructure Trust	6.95	-
12,078.25 (March 31, 2025 : NIL) units of ₹1000 each of Nippon India Liquid Fund - Direct Growth	8.15	-
11,98,61,898.919 (March 31, 2025: NIL) units of ₹10 each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - Apr 2026 50:50 Index Fund - Direct Plan Growth	163.62	-
2,49,98,750.062 (March 31, 2025: NIL) units of ₹10 each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct Growth Plan	33.05	-
3,49,98,250.087 (March 31, 2025: NIL) units of ₹10 each of Kotak FMP Series 292 - Direct Plan Growth	46.29	-
4,99,97,500.120 (March 31, 2025: NIL) units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 49 (1,823 Days) - Direct Plan Growth	66.11	-
2,49,98,750.062 (March 31, 2025: NIL) Units of ₹10 each of SBI Fixed Maturity Plan (FMP) - Series 46 (1,850 Days) Direct Plan Growth	33.35	-
2,99,98,500.075 (March 31, 2025: NIL) units of ₹10 each of SBI FMP Series 42 - 1,857 Days -Direct Plan Growth	40.58	-
8,28,86,002.658 (March 31, 2025: NIL) units of ₹10 each of SBI CPSE Bond Plus SDL Sep 2026- 50:50 Index Fund Direct Plan Growth	106.69	-
1,25,00,000 (March 31, 2025: NIL) units of ₹100 each of Nippon India ETF Nifty SDL - 2026 Maturity Growth	171.50	-
2,49,98,750.062 (March 31, 2025:NIL) units of ₹10 each of Aditya Birla Sunlife Fixed Term Plan Series-TI (1,837 Days) -Direct Growth	33.42	-
NIL (March 31, 2025 : 4,77,412.00) units of ₹1,000 each of Bharat Bond ETF APRIL 2025	-	61.55
47,657,528 (31 March 2025: NIl) Units of ₹10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	65.06	-
NIL (31 March 2025: 2,46,634) Units of ₹1,000/- each of Edelweiss Bharat Bond ETF 2025	-	31.80
58,134 (31 March 2025: 63,661) Units of ₹1,000/- each of SBI Liquid Fund Direct Growth	25.03	25.82
19,934,273 (31 March 2025: 7,528,554) Units of ₹10/- each of Kotak Equity Arbitrage Fund- Direct Growth	83.78	29.63
1,534,516 (31 March 2025: 9,609,558) Units of ₹10/- each of SBI Arbitrage Oppurtunity Fund- Direct Plan - Growth	5.79	33.93
1,413.62 Units (31 March 2025: Units 1,413.62) ₹10/- each fully paid-up Kotak Equity Liquid Direct Growth	0.79	0.74
5,619,408.215 Units (31 March 2025: Units 5,619,408.215) ₹10/- each fully paid-up Kotak Equity Arbitrage Fund- Growth - Direct	23.33	22.11
	1,006.42	**462.52**
1. Aggregate book value of quoted investments	1,006.42	462.52
2. Aggregate market value of quoted investments	1,006.42	462.52
3. Aggregate carrying value of unquoted investments	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

10 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Receivable from related parties (Refer Note 45)		
- Unsecured, considered good	3.03	0.01
Receivable from others		
- Unsecured, considered good	1,302.73	1,297.56
- Significant increase in Credit risk	3.43	3.43
Less:- Allowances for expected credit loss	(3.43)	(3.43)
	1,305.76	**1,297.57**

(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 (2024-25 - 45 days) in case of domestic yarn and 90 days (2024-25 - 90 days) in case of domestic fabric and garments. In case of exports, maximum credit period of 180 days (2024-25 - 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, 2026	As at March 31, 2025
Less than 180 days	-	-
More than 180 days	3.43	3.43
	3.43	**3.43**

(iv) Age of Receivables:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Undisputed Trade receivables – considered good		
Less than 6 months	1,302.16	1,293.19
6 months to 1 year	1.43	0.72
1 to 2 years	0.37	0.42
2 to 3 years	0.04	0.02
More than 3 years	0.06	0.01
	1,304.06	**1,294.36**
(b) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	0.03	-
6 months to 1 year	0.01	0.66
1 to 2 years	0.65	0.94
2 to 3 years	0.94	2.03
More than 3 years	2.08	0.49
	3.71	**4.12**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
(c) Disputed Trade receivables – considered good		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	0.03	1.11
	0.03	**1.11**
(d) Disputed Trade Receivables – which have significant increase in credit risk		
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
	1.39	**1.41**

(v) Movement in expected credit loss allowance

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	3.43	18.70
Reversal of provision during the year	-	(15.27)
Provision provided during the year	-	-
Balance at the end of the year	**3.43**	**3.43**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

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, 2026	As at March 31, 2025
a) Balances with banks		
- In current accounts	41.80	52.89
- In deposit accounts with maturity upto three months	-	0.49
b) Cheques on hand	1.44	0.07
c) Cash on hand	0.06	0.11
	43.30	**53.56**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

11A Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
a) Other bank balances		
- Earmarked balances with banks#	41.70	41.35
- Deposits with more than twelve months maturity	7.91	3.15
- Deposits with more than three months but less than twelve months maturity	9.99	12.17
	59.60	**56.67**
Less: Amounts disclosed as other financial non current assets (Refer note 6B)	19.55	21.21
	40.05	**35.46**

Earmarked balances with banks includes ₹3.69 crores (March 31, 2025: ₹3.68 crores) pertaining to dividend accounts with banks and ₹2.90 crores (March 31, 2025:₹18.38 crores) pledged with government authorities, banks and others. Also includes ₹19.08 crores (March 31, 2025: ₹19.28 crores) pertaining to balances in unspent CSR accounts.

12 Loans (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Loan to employees	1.76	2.14
	1.76	**2.14**

13 Other financial assets (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Recoverable from related parties (Refer Note 45)	0.02	0.02
Claims receivable	0.59	0.06
Other Recoverable#	67.15	86.72
Receivable from Asset Management Company	-	30.00
	67.76	**116.80**

Includes government grant receivables of ₹57.50 crores (March 31,2025: ₹70.44 crores) related to power and capital subsidy.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

14 Current tax

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax assets (net)		
Taxes paid (net)	92.06	77.51
Current tax liabilities (net)		
Income-tax payable (net)	33.97	42.88

15 Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(unsecured considered good, unless otherwise stated)		
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (Refer note 39)	4.65	4.66
Advances to suppliers	481.60	175.09
Balance with government authorities	341.29	349.55
Prepaid (Deferred) Expense for employee benefit	0.04	0.03
Prepaid expenses others	4.63	4.18
Other recoverables	32.43	41.57
	864.64	**575.08**

15A Assets Held for sale

Particulars	As at March 31, 2026	As at March 31, 2025
Property, Plant and Equipment held for Sale	0.46	-
	0.46	**-**

The Company intends to dispose off a residential building, it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale as at March, 2026 as the Company expected that sale consideration less costs to sell is higher than the carrying amount. Also the Company had received advance of ₹0.47 Crore as on March 31, 2026 shown in other current liabilities against sale of these assets (Refer Note 27). The said sale is expected to complete in the next year.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

16 Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
71,50,00,000 equity shares of ₹2 each (March 31, 2025: 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, 2025: 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, 2025: 1,40,00,000)	14.00	14.00
	177.00	**177.00**
Issued, subscribed and fully paid up share capital comprises:		
28,46,20,055 equity shares of ₹2 each (March 31, 2025: 28,45,13,055 equity shares of ₹2 each)	56.92	56.90
	56.92	**56.90**

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.

16.3 As per Employee Stock Options Scheme 2024, during the previous 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 in the previous year and 1,97,500 options lapsed due to resignation and retirement of eligible members and 1,07,000 options were exercised during the year.

*Refer Note 44

16.4 Reconciliation of number of shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	28,45,13,055	56.90	28,45,13,055	56.90
Add:- Issue of equity shares under employee stock option plan (Refer note 44)	1,07,000	0.02	-	-
Balance as at the end of the year	**28,46,20,055**	**56.92**	**28,45,13,055**	**56.90**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026		As at March 31, 2025	
	Number of shares	% holding	Number of shares	% holding
Vardhman Holdings Limited	8,38,50,458	29.46%	8,34,37,034	29.33%
Adishwar Enterprises LLP	5,15,94,315	18.13%	5,15,94,315	18.13%
Devakar Investment and Trading Company Private Limited	3,38,56,505	11.90%	3,16,87,790	11.14%
HDFC Mutual Fund	2,06,77,306	7.26%	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, 2026			As at March 31, 2025		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
Vardhman Holdings Limited	8,38,50,458	29.46%	0.13%	8,34,37,034	29.33%	0.10%
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	3,38,56,505	11.90%	0.76%	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%
Flamingo 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 Vir	34,925	0.01%	0.00%	34,925	0.01%	0.00%

Notes to standalone financial statement for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

17 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
Share application money pending allotment	-	-
Capital reserve	0.40	0.40
Statutory Reserve	16.17	15.38
Capital redemption reserve	40.43	40.43
Security premium	59.10	52.58
Share options outstanding account	12.47	8.52
General reserve	1,517.06	1,517.06
Retained earnings	8,808.18	8,202.21
Equity instrument through other comprehensive income	3.01	2.54
	10,456.82	**9,839.12**

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	
Balance at April 01, 2024	**-**	**0.40**	**14.27**	**40.43**	**52.58**	**-**	**1,517.06**	**7,415.96**	**2.55**	**9,043.25**
Profit for the year	-	-	-	-	-	-	-	883.27	-	883.27
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	0.85	(0.01)	0.84
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**884.12**	**(0.01)**	**884.11**
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
Balance at March 31, 2025	**-**	**0.40**	**15.38**	**40.43**	**52.58**	**8.52**	**1,517.06**	**8,202.21**	**2.54**	**9,839.12**

Notes to standalone financial statement for the year ended March 31, 2026

(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	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Profit for the year	-	-	-	-	-	-	-	745.25	-	745.25
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	3.80	0.47	4.27
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**749.05**	**0.47**	**749.52**
Final Equity Dividend for the financial year 2024-25 (Amount ₹5 per share)	-	-	-	-	-	-	-	(142.29)	-	(142.29)
Share Application Money received under employee stock options.	4.55	-	-	-	-	-	-	-	-	4.55
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(4.55)	-	-	-	4.53	-	-	-	-	(0.02)
Transfer to retained earnings on lapse of stock options	-	-	-	-	1.24	(1.24)	-		-	-
Security Premium on exercise of stock options	-	-	-	-	0.75	(0.75)	-	-	-	-
ESOP provision created	-	-	-	-	-	5.94	-	-	-	5.94
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.79	-	-	-	-	(0.79)		-
Balance at March 31, 2026	**-**	**0.40**	**16.17**	**40.43**	**59.10**	**12.47**	**1,517.06**	**8,808.18**	**3.01**	**10,456.82**

a. **Share application money pending allotment**

It represents share application money received from senior employees under the Company's employee share option scheme and allotment is pending.

b. **Capital reserve**

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Companies.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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. This was created on the redemption or purchase of a Company's own shares. Its utilisation is restricted/limited to the purpose of issuing fully paid up bonus 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. 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 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.

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)

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans (Secured - at amortised cost)		
From banks*	1,412.46	834.51
Less: Current maturities (refer note-23)	181.68	85.52
Total	**1,230.78**	**748.99**

* Net of unamortized processing charges: March 31, 2026: ₹0.08 crores (March 31, 2025 : ₹0.18 crores)

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

a) Term loans from banks are secured as follows:-

(1). 1st pari passu charge :-Hypothecation of entire fixed assets of the Company (both present and future) including equitable mortgage.

(2). 2nd 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 ₹ NIL (March 31, 2025: ₹62.72 Cr.) 2) Term Loan from Bank amounting to ₹221.56 Cr. (March 31, 2025: ₹ 232.29 Cr.) 3) Term Loan from Bank amounting to ₹ NIL (March 31, 2025: ₹7.31 Cr.) 4) Term Loan from Bank amounting to ₹106.48 Cr. (March 31, 2025: ₹ 111.25 Cr.)	**Primary Security:-** (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.
1) Term Loan from Bank amounting to ₹238.89 Cr. (March 31, 2025: ₹28.28 Cr.) 2) Term Loan from Bank amounting to ₹243.50 Cr. (March 31, 2025: NIL) 3) Term Loan from Bank amounting to ₹600 Cr. (March 31, 2025: 392.86 Cr.)	**Primary Security:-** (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.

(b) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

(c) Terms of repayment of loan

Loan Category	Frequency of principal repayments	Interest rate	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	Total
Term loans	Quarterly Payments	6.05% to 6.96%	181.68	188.52	134.08	301.35	373.31	233.52	1,412.46
			181.68	**188.52**	**134.08**	**301.35**	**373.31**	**233.52**	**1,412.46**

(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, 2026	As at March 31, 2025
Financial liabilities at amortized cost		
Retention money	2.93	0.59
	2.93	**0.59**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

19A Lease liabilities (Non Current) *

Particulars	As at March 31, 2026	As at March 31, 2025
Financial liabilities at amortized cost		
Lease Liability	0.20	0.19
	0.20	**0.19**

* Refer Note:-43

20 Provisions (Non Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits :		
- Leave (Refer note 46)	18.28	19.48
	18.28	**19.48**

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, 2026	As at March 31, 2025
Deferred tax liabilities (A)	353.79	340.14
	353.79	**340.14**
Deferred tax assets (B)	18.31	16.66
	18.31	**16.66**
Deferred tax liabilities (net) (A-B)	**335.48**	**323.48**

* Refer note 36

22 Other non-current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Income for Capital subsidy	8.97	9.99
Other	1.61	1.69
Total	**10.58**	**11.68**

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 Group has opted to deduct such grant from the carrying value of the specific asset.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

23 Borrowings (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans repayment on demand		
- From banks (secured at amortised cost)	422.34	378.92
Total	**422.34**	**378.92**
Current Maturities of Long term borrowings		
- From banks (secured at amortised cost)	181.68	85.52
Short Term Borrowings - Unsecured	19.98	24.64
Total Borrowings	**624.00**	**489.08**

Details of security for working capital borrowings

Working capital borrowings from banks are secured as follows:-

(1) 1st 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) 2nd 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, 2026	As at March 31, 2025
Trade payables (refer note 42)		
- Total outstanding dues of micro enterprises and small enterprises	50.74	51.05
- Total outstanding dues of other than micro enterprises and small enterprises	443.88	444.42
Due to related parties (Refer Note 45)	2.13	1.14
Total	**496.75**	**496.61**

Ageing of Trade payables:

Particulars	As at March 31, 2026	As at March 31, 2025
(i) MSME:		
Less than 1 year	50.74	51.05
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	50.74	**51.05**
(ii) Others:		
Less than 1 year	426.31	420.90
1-2 years	8.36	13.07
2-3 years	1.54	6.35
More than 3 years	9.80	5.24
	446.01	**445.56**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

25 Other financial liabilities (Current)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial liabilities at amortized cost		
Other payables		
- Retention money	12.91	9.09
- Security deposits	3.47	4.23
- Expense payable	21.52	42.10
Payables for purchase of fixed assets		
-Total outstanding dues of micro enterprises and small enterprises	14.01	2.76
-Total outstanding dues of other than micro enterprises and small enterprises	101.22	56.42
Due to employees	143.19	130.24
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	121.85	2.48
Total	**418.17**	**247.32**

*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, 2026	As at March 31, 2025
Provision for employee benefits : (Refer note 46)		
- Compensated Absences	7.73	4.68
	7.73	**4.68**

27 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory remittances*	26.59	28.02
Deferred Income for Capital subsidy	1.13	1.49
Unpaid dividends **	3.70	3.68
Gratuity Trust	22.99	3.56
Advances from customers (Contract Liability)#	25.00	32.23
Other Liabilities	19.01	12.50
Advance against Sale of Property, Plant and Equipment	0.47	-
Total	**98.89**	**81.48**

* 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, 2026

(All amounts in ₹ crores, unless otherwise stated)

Movement of advance from customers

Particulars	As at March 31, 2026	As at March 31, 2025
As at beginning of the year	32.23	38.51
Less:-Recognised as revenue	(32.23)	(38.51)
Add:- Advances received during the year related to closing balance	25.00	32.23
As at end of the year	**25.00**	**32.23**

28 Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products (Net of Rebate & Discount)	9,645.00	9,578.99
Sale of Traded Goods	35.63	11.22
Sale of services	8.71	8.73
Other operating revenues :		
- Export benefits*	152.72	159.25
- Others	26.99	26.69
	9,869.05	**9,784.88**

* Export benefits are in the nature of government grants covering RoDTEP/RoSCTL/Drawback/IEIS etc.

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, 2026	For the year ended March 31, 2025
Sale of Yarn	6,069.19	5,953.54
Sale of Fabric	3,251.38	3,318.59
Sale of Acrylic Fibre	216.72	197.75
Service income	8.71	8.73
Sale of Garments	141.54	126.01
Others (Sale of scrap and others)	28.79	21.01
	9,716.33	**9,625.63**
The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition.		
- At point of time	9,716.33	9,625.63
- Over the period	-	-
The contract price of sale of products co-incide with the revenue from operations.		
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	9,689.28	9,625.82
Reduction towards variable consideration	(44.28)	(46.83)
Net Sale of Products	9,645.00	9,578.99

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

29 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest income		
Interest income on Financial assets measured at amortised cost		
- Interest on Bank deposits	3.81	3.26
- Interest from Others	10.40	2.31
Interest on refund of income tax	-	31.47
(b) Dividend income		
Dividend income from investments- carried at fair value through Profit or Loss	2.61	0.22
(c) Other Non Operating Income (Net of Expenses directly attributable to such income)		
Net gain on sale of investments-carried at fair value through Profit or Loss (net of reversal of fair valuation on disposal of investment)	22.34	49.77
Gain on fair valuation of Investments (Net)	71.01	98.48
(d) Other gain		
Claims received (net of expenses)	3.78	1.19
Provisions no longer required written back	3.74	4.53
Subsidy from Government	44.65	51.92
Net gain on disposal of property, plant and equipment	37.31	44.42
Foreign Exchange Fluctuation Gain (Net)	-	28.98
Others	23.83	19.41
	223.48	**335.96**

30 Cost of materials consumed*

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cotton	4,031.42	4,197.74
Manmade fibre	1,040.56	951.91
Yarn	31.73	23.60
Fabric	57.25	57.34
Acrylonitrile	192.20	172.85
Others	26.83	22.20
	5,379.99	**5,425.64**

* Consumption is derived figure, calculated by adding the opening stock and purchases, and then subtracting the closing stock.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

31 Purchases of Stock-in-trade:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Yarn	4.17	4.85
Fabric	22.22	-
Others	5.41	5.54
	31.80	**10.39**

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year*		
Work-in-progress	237.61	237.96
Finished goods (Including stock in trade)	742.00	707.01
	979.61	**944.97**
Inventories at the end of the year*		
Work-in-progress	246.62	237.61
Finished goods (Including Stock in trade)	698.68	742.00
	945.30	**979.61**
	34.31	**(34.64)**

*Net of stock reserve.

33 Employee benefits expense *

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	812.19	791.67
Contribution to provident and other funds	63.57	62.86
Staff welfare expenses	9.28	9.52
Employee share based expense	5.94	8.52
Gratuity Expense (Net)	39.53	14.92
	930.51	**887.49**

* Also refer note 46

34 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on loan*	76.26	58.82
Other borrowing costs	16.23	18.46
	92.49	**77.28**

*Interest expense is net of interest reimbursement of ₹17.68 crores (March 31, 2025 - ₹28.48 crores) under Madhya Pradesh state interest reimbursement on term loan.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

35 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power and fuel(net)*	897.17	911.50
Consumption of stores and spare parts	65.86	58.92
Packing materials and charges	127.32	124.14
Dyes and Chemical consumed	258.41	261.52
Rent	2.64	2.45
Repairs and Maintenance		
- Buildings	66.51	65.19
- Plant and Machinery	250.17	276.25
- Others	16.75	17.58
Insurance	16.38	14.83
Rates and taxes	6.11	5.88
Legal and Professional Charges	24.86	16.43
Processing Charges	12.19	12.23
Travelling and Conveyance Expenses	9.84	8.64
Auditors remuneration:		
- Audit fee	1.05	0.96
- Tax audit fee	0.10	0.10
- Reimbursement of expenses	0.05	0.07
- In other capacity	0.06	0.15
Bad debts written off	2.36	9.95
Allowances for doubtful trade receivables and advances	5.50	0.51
Forwarding charges and octroi	201.48	236.85
Commission to selling agents	66.16	63.16
Assets written off	3.76	1.91
Foreign Exchange Fluctuation Loss (Net)	57.02	-
Charity, Donation and CSR activities (Refer note 48)#	20.72	33.34
Cotton Hedging Derivative Loss	18.43	0.57
Other miscellaneous expenses **	122.93	110.12
	2,253.83	**2,233.25**

* Power & Fuel expense amount is net of Subsidy amounting ₹12.36 Crores (March 31,2025 ₹19.35 Crores)

** Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

During the previous year FY 2024-25, the Company has made a political contribution amounting to ₹7 Crores to Prudent Electoral Trust.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(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
2025-26				
Deferred tax assets				
Expenses deductible in future years	9.79	0.25	-	10.04
Provision for doubtful debts / advances	6.55	1.38	-	7.93
Others	0.32	0.02	-	0.34
	16.66	**1.65**	**-**	**18.31**
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(272.36)	(30.38)	-	(302.74)
Investment in bonds, mutual funds and equity instruments	(25.49)	(4.32)	(0.09)	(29.90)
Tax on undistributed Profits	(35.19)	0.96	-	(34.23)
Others	(7.10)	20.18	-	13.08
	(340.14)	**(13.56)**	**(0.09)**	**(353.79)**
Net deferred tax liabilities	**(323.48)**	**(11.91)**	**(0.09)**	**(335.48)**

Particulars	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
2024-25				
Deferred tax assets				
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
	13.14	**3.52**	**-**	**16.66**
Deferred tax liabilities				
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)
	(298.15)	**(41.67)**	**(0.32)**	**(340.14)**
Net deferred tax liabilities	**(285.01)**	**(38.15)**	**(0.32)**	**(323.48)**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
Income Tax pertaining to current year	214.37	249.70
Income Tax pertaining to earlier years	(24.35)	(6.89)
Deferred tax		
Deferred Tax pertaining to current year	10.92	30.13
Deferred Tax pertaining to previous years	0.99	8.58
Total income tax expense recognised	**201.93**	**281.52**

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	955.13	1,168.24
Tax at the Indian Tax Rate of 25.168% (2024-25 : 25.168 %)	240.39	294.03
Differential tax rate on capital gain on sale of investments/mark to market gain on investment	(8.69)	(10.85)
Effect of expenses that are not deductible in determining taxable profit	5.03	9.29
Exemption u/s 80M	(16.93)	(12.72)
Exemption u/s 54D	-	(6.91)
Others	5.49	6.99
	225.29	**279.83**

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Arising on income and expenses recognised in other comprehensive income	1.37	0.61
Total income tax recognised in other comprehensive income	1.37	0.61

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026	As at March 31, 2025
Debt	1,854.78	1,238.07
Cash & cash equivalents	43.30	53.56
Net Debt	**1,811.48**	**1,184.51**
Total Equity	**10,513.74**	**9,896.02**
Net debt to equity ratio	**0.17**	**0.12**

37.2 Financial instruments by category

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVTPL	Amortised Cost#	FVTOCI	FVTPL	Amortised Cost#	FVTOCI
Financial Assets						
Investments	1,582.70	-	6.56	1,594.35	-	6.20
Trade Receivables	-	1,305.76	-	-	1,297.57	-
Cash and cash equivalents	-	43.30	-	-	53.56	-
Bank balances other than above	-	40.05	-	-	35.46	-
Loans	-	2.67	-	-	3.35	-
Other financial assets	-	123.62	-	-	180.06	-
	1,582.70	**1,515.40**	**6.56**	**1,594.35**	**1,570.00**	**6.20**

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost#	FVTPL	Amortised Cost#
Financial Liabilities				
Borrowings (including current maturity of term loan)	-	1,854.78	-	1,238.07
Trade Payables	-	496.75	-	496.61
Other financial liabilities	121.85	299.25	2.48	245.43
Lease Liability		0.20		0.19
	121.85	**2,650.98**	**2.48**	**1,980.30**

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	179.66	1,403.04	-	**1,582.70**
Foreign currency / commodity forward contracts	-	-	-	**-**
Unquoted equity instruments	-	-	6.56	**6.56**
	179.66	**1,403.04**	**6.56**	**1,589.26**
Financial Liabilities				
Foreign currency / commodity future/option/forward contracts	-	121.85	-	**121.85**
	-	**121.85**	**-**	**121.85**

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	182.16	1,412.19	-	**1,594.35**
Foreign currency / commodity forward contracts	-	-	-	**-**
Unquoted equity instruments	-	-	6.20	**6.20**
	182.16	**1,412.19**	**6.20**	**1,600.55**
Financial Liabilities				
Foreign currency / commodity forward /future/option contracts	-	2.48	-	**2.48**
	-	**2.48**	**-**	**2.48**

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 1, 2024	5.81
Purchases	-
Gain / (loss) recognised in OCI	0.39
As at March 31, 2025	**6.20**
Purchases	-
Gain / (loss) recognised in OCI	0.36
As at March 31, 2026	**6.56**

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 risk 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 41% (FY 2024-25 : 49%) 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.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ crores, are as follows:

As at March 31, 2026	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	783.40	29.17	-	-
Financial liabilities				
Trade payables	13.78	13.09	3.91	0.40

As at March 31, 2025	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	786.03	58.90	-	-
Financial liabilities				
Trade payables and other financial liabilities	29.28	7.16	22.22	0.01

Unhedged in foreign currency exposure (in Crore)

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
(a) Trade Payable	USD	0.14	13.29	0.33	28.54
	EUR	0.12	13.09	0.08	7.16
	CHF	0.03	3.91	0.23	22.22
	JPY	0.68	0.40	0.01	0.01
(b) Trade Receivable	USD	0.71	67.26	0.46	39.70
	EUR	0.02	2.03	0.13	11.81

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10 % increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding unhedged 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, 2026		Year ended March 31, 2025	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
USD	5.40	(5.40)	1.12	(1.12)
EUR	(1.11)	1.11	0.46	(0.46)
CHF	(0.39)	0.39	(2.22)	2.22
JPY	(0.04)	0.04	-	-

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Import						
USD / INR Buy forward	78	100	5.06	5.05	546.64	431.34
USD / INR Buy Option	-	3	-	0.54	-	45.77
EUR / USD /INR Buy forward	2	3	0.03	0.16	3.24	14.64
EUR / USD/ INR Buy Option	4	6	0.29	1.18	31.69	108.78
CHF/INR Buy Forward	-	1	-	0.32	-	31.06
Export						
USD / INR Sell forward	255	283	25.46	28.10	2,412.91	2,401.99
USD / INR Sell Option	-	5	-	1.00	-	85.48
EUR / INR Sell forward	16	17	0.38	0.85	41.48	78.09

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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, 2026	Year ended March 31, 2025
	₹ if loans interest rate decreases by 1 %	₹ if loans interest rate decreases by 1 %
Increase in profit before tax by	18.55	12.38

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.

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, 2026 would increase / decrease by ₹0.33 crore (for the year ended March 31, 2025: increase / decrease by ₹0.31 crore) as a result of the change in fair value of equity investment 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 though 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:

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Profit for year ended March 31, 2026 would increase / decrease by ₹15.89 crores (for the year ended March 31, 2025 by ₹15.72 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.

The following is the detail of revenues generated from top five customers of the Group:

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue from top five customers	1,247.18	1,101.83
% of total sales of products	12.64%	11.26%

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2026	As at March 31, 2025
Loans - Non-current	0.91	1.21
Loans - Current	1.76	2.14
Other financial assets - Non-current	55.86	63.26
Other financial assets - Current	67.76	116.80
Trade receivables	1,305.76	1,297.57
	1,432.05	**1,480.98**
Loss Allowance is as follows (Refer Note 6B and 10):-		
As at April 1, 2024		**18.70**
Provided during the year		15.79
Reversed during the year		(15.27)

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
As at March 31, 2025		**19.22**
Provided during the year		5.50
Reversed during the year		-
As at March 31, 2026		**24.72**

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, 2026	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
Financial Assets					
Investments	1,006.42	539.75	9.83	272.22	**1,828.22**
Trade Receivables	1,305.76	-	-	-	**1,305.76**
Cash and cash equivalents	43.30	-	-	-	**43.30**
Bank balances other than above	40.05	-	-	-	**40.05**
Loans	1.76	-	-	-	**1.76**
Other financial assets	67.76	-	-	-	**67.76**
	2,465.05	**539.75**	**9.83**	**272.22**	**3,286.85**
Financial liabilities					
Borrowings	624.00	322.60	674.66	233.52	**1,854.78**
Trade payables	496.75	-	-	-	**496.75**
Lease liabilities (undiscounted)	-	-	0.20	-	**0.20**
Other financial liabilities	418.17	2.93	-	-	**421.10**
	1,538.92	**325.53**	**674.86**	**233.52**	**2,772.83**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(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
Financial Assets					
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**
	1,968.05	**1,071.36**	**10.23**	**120.91**	**3,170.55**
Financial liabilities					
Borrowings	489.08	342.47	218.86	187.66	**1,238.07**
Trade payables	496.61	-	-	-	**496.61**
Lease liabilities (undiscounted)	-	-	0.19	-	**0.19**
Other financial liabilities	247.32	0.59	-	-	**247.91**
	1,233.01	**343.06**	**219.05**	**187.66**	**1,982.78**

38 CONTINGENT LIABILITIES AND COMMITMENTS

a. Claims against the Group not acknowledged as debts:

Particulars	As at March 31, 2026	As at March 31, 2025
Sales tax, excise duty, etc*	13.45	7.11
Income-tax**	228.13	250.76
Others***	3.79	4.40

* Amount deposited ₹1.84 crores (2025 : ₹1.63 crore)

** Amount deposited ₹228.48 crores (2025 : ₹225.96 crore)

*** Amount deposited ₹0.70 crores (2025 : ₹0.70 crore)

b. Liability on account of bank guarantees and letter of credit of ₹171.23 crores (2025: ₹805.79 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 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 Parent 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

e. Capital and other commitments

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for (net of advance)	311.32	1,249.74
(ii) Export obligation under EPCG Scheme*	3,950.30	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, 2026 is ₹1,032.93 crores (March 31, 2025 ₹789.12 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 ₹44.15 Crores (March 31,2025 ₹52.27 Crores)

39(a) Mahavir Share Trust ("Trust") is holding 10,65,822 equity shares (March 31, 2025:10,65,822 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 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, 2026	As at March 31, 2025
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.01	0.02
	4.65	**4.66**

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
(i) **Revenue**						
Total Sales	9,652.33	9,587.21	318.57	281.57	9,970.90	9,868.78
Inter Segment Sales		-	(101.85)	(83.90)	(101.85)	(83.90)
External Sales	**9,652.33**	**9,587.21**	**216.72**	**197.67**	**9,869.05**	**9,784.88**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Textiles		Fibre		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Other Income	113.17	138.64	4.60	3.21	117.77	141.85
Unallocated Other Income					105.71	194.11
Total Revenue	**9,765.50**	**9,725.85**	**221.32**	**200.88**	**10,092.53**	**10,120.84**
(ii) **Result**						
Segment results	1,007.87	1,143.65	18.40	3.99	1,026.27	1,147.64
Unallocated Corporate expenses/ (Income) (Net)					28.71	(50.15)
Operating profit					**997.56**	**1,197.79**
Finance cost					92.49	77.28
Income from Associates					50.06	47.73
Profit before tax					**955.13**	**1,168.24**
Provision for taxation						
Current tax and deferred tax					201.93	281.52
Profit after tax					**753.20**	**886.72**
(iii) **Segment Assets and Liabilities**						
Segment assets	11,598.63	10,096.64	159.50	162.43	11,758.13	10,259.07
Unallocated corporate assets					2,107.42	2,173.03
Total assets					**13,865.55**	**12,432.10**
Total equity and liabilities						
Equity (Share capital and other equity)					10,513.74	9,896.02
Non controlling interest					74.05	69.62
Segment Liabilities	866.36	651.76	59.10	99.61	925.46	751.37
Secured and unsecured loans					1,854.78	1,238.07
Unallocated Corporate Liabilities					162.04	153.54
Deferred Tax Liabilities					335.48	323.48
Total equity and liabilities					**13,865.55**	**12,432.10**
(iv) Capital expenditure					1,426.20	802.17
(v) Depreciation and Amortisation					460.37	397.21
Unallocated Corporate Depreciation and Amortisation					4.16	3.72
Total Depreciation					**464.53**	**400.93**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Geophraphical Information:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment Revenue-External Turnover		
-Within India	5,829.60	5,647.87
-Outside India	4,039.45	4,137.01
Total Revenue	**9,869.05**	**9,784.88**
Non-Current Segment Assets		
-Within India	6,892.12	6,127.49
-Outside India	-	-
	6,892.12	**6,127.49**

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, 2026	For the year ended March 31, 2025
Basic earnings per share (₹)	26.18	31.05
Diluted earnings per share (₹)	26.18	31.05
Profit attributable to the equity holders of the Company used in calculating basic earning per share	745.25	883.27
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	28,46,20,055	28,45,13,055
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	745.25	883.27
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	28,46,20,055	28,45,13,055

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 2026	As at March, 31 2025
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year	-	-
- Principal amount*	64.75	53.81
-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 ₹14.01 crores (FY 2024-25 ₹2.76 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, 2026:

Particulars	Land	Building	Total
Balance as on April 01, 2024	19.37	0.01	19.38
Addition	-	-	-
Deletion	-	-	-
Depreciation	(0.32)	-	(0.32)
Balance as on March 31, 2025	**19.05**	**0.01**	**19.06**
Addition	-	-	-
Deletion	-	-	-
Depreciation	(0.28)	-	(0.28)
Balance as on March 31, 2026	**18.77**	**0.01**	**18.78**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

The following is the break up of current and non current lease liabilities as at March 31, 2026:

Particulars	As at March 31, 2026	As at March 31, 2025
Current Lease Liabilities	-	-
Non-Current Lease Liabilities	0.20	0.19
Total	**0.20**	**0.19**

Following is the movement in lease liabilities during year ended March 31, 2026

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning	0.19	0.18
Finance cost accrued during the period	0.01	0.01
Payment of Lease Liabilities	-	-
Balance at the end	**0.20**	**0.19**

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2026 on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	-	-
One to five years	0.20	0.19
More than five years	-	-
Total	**0.20**	**0.19**

The following are the amounts recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation Expenses on Right to use Assets	0.28	0.29
Interest expense on lease liabilities	0.00	0.00
Expense relating to short-term leases (included in other expenses)	1.75	1.20
Total Amount Recognised in Profit and Loss	**2.03**	**1.49**

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 parent 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

(iii) The following share payments arrangement is in existence during the period.

Option Details	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
	31,75,000				

* 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) As per Employee Stock Options Scheme 2024, during the previous year the parent Company has granted equity share options of 31,75,000 having face value of ₹2 per share out of which 2,70,000 stock options lapsed in the previous year and 1,97,500 stock options lapsed due to resignation and retirement of eligible members and 1,07,000 stock options were exercised during the year.

(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	5 years
Dividend yield	0.90%
Risk free Interest Rate	6.94%

(vi) Moment of share options

Particulars	2025-26		2024-25	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	29,05,000	425.00	-	-
Granted during the year	-	-	31,75,000	425
Exercised during the year	(1,07,000)	425.00	-	-
Lapsed during the year	(1,97,500)	-	(2,70,000)	-
Balance at end of year	**26,00,500**	**425.00**	**29,05,000**	**425.00**

(vii) Amount accounted for in profit and loss for Employee stock options is ₹5.94 crores (FY 2024-25 ₹8.52 crores).

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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

Relative of KMP
Ms. Soumya Jain (upto May 02, 2025)
Mrs. Shakun Oswal
Mr. Rijul Hora (w.e.f. Dec 01, 2025)

Post Employment Benefit Plans Trust
Mahavir Employee 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
Mrs.. Sagrika Vir (Executive Director)
Ms. Soumya Jain, Non Executive Director (w.e.f. May 03, 2025)
Mr. B.K Choudhary, Non Executive and Non-Independent Director
Mr. Rajeev Thapar, Chief Financial Officer*
Mr. Vivek Gupta, Whole Time Director (w.e.f 01.11.2023)
Mr. Sanjay Gupta, Company Secretary*
Mrs. Harpreet Kaur Kang, Independent Director
Mr. Udeypaul Singh Gill, Independent Director
Mr. Suresh Kumar, Independent Director
Mr. Atul Khosla, Independent Director
Dr. Prem Kumar. Independent Director (w.e.f. July 30, 2024)
Mr. Arvind Sahay. Independent Director (w.e.f. May 03, 2025)
Mr. Satin Katyal. Company Secretary
Mr. Raish Shaikh, Chief Financial Officer (w.e.f 01.11.2023)
Mr. Vikas Kumar, Non-Executive Director
Mr. Anil Kumar, (Independent Director)
Ms. Parakh Oswal, (Independent Director)
Mr. Bhooshan Lal Uppal, (Independent Director)
Mr. Sandeep Kapur, (Independent Director)
Mr. Sanjeev Jain, (Independent Director)

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
Paras Syndicate
Amber Syndicate
Mahavir Traders
Eastern Trading Company
Lock And Decor Home LLP
SP Oswal Trust
Mrs. Shakun Oswal Trust

* Pursuant to section 2(51) of Companies Act, 2013

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

45.2 Transactions with related parties

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale /processing of goods to:#			
Vardhman Special Steels Limited	Associate	0.01	-
Vardhman Yarns and Threads Limited	Associate	3.61	3.06
Mahavir Traders	Others	67.89	40.49
		71.51	**43.55**
Purchase/processing of goods and utilities from:#			
Mahavir Traders	Others	0.04	-
Vardhman Yarns and Threads Limited	Associate	17.40	22.04
		17.44	**22.04**
Sale of RoDTeP/MEIS License			
Vardhman Yarns and Threads Limited	Associate	1.74	3.47
		1.74	**3.47**
Sale of property, plant & equipment to:#			
Vardhman Yarns and Threads Limited	Associate	0.43	0.53
Vardhman Special Steels Limited	Associate	0.00	-
		0.43	**0.53**
Purchase of property, plant & equipment from :#			
Lock And Decor Home LLP	Others	-	0.01
Vardhman Yarns and Threads Limited	Associate	-	0.07
		-	**0.08**
Services received from			
Rijul Hora	Relative of KMP	0.25	-
		0.25	**-**
Rent paid to**			
Vardhman Holdings Limited	Others	0.02	0.02
Smt. Banarso Devi Oswal Public Charitable Trust	Others	0.12	0.12
		0.14	**0.14**
Rent received from**			
Vardhman Yarns and Threads Limited	Associate	0.32	0.28
		0.32	**0.28**
Dividend received from			
Vardhman Special Steels Limited	Associate	5.82	3.88
Vardhman Yarns and Threads Limited	Associate	48.28	20.07
		54.10	**23.95**
Dividend Paid to			
Sagrika Vir	KMP	0.02	0.01

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Shakun Oswal	Relative of KMP	0.35	0.38
Shri Paul Oswal	KMP	1.49	1.81
Soumya Jain	KMP	0.02	0.02
Suchita Jain	KMP	0.61	0.49
Adishwar Enterprises LLP	Others	25.80	20.64
Vardhman Holdings Limited	Others	41.72	33.34
VTL Investments Limited	Subsidiary	2.33	1.86
Devakar Investments and trading company Pvt Ltd.	Others	15.84	12.68
Flamingo Finance and Investment company Ltd.	Others	1.33	1.07
Mahavir Spinning Mills Pvt Ltd.	Others	0.25	0.20
Ramaniya Finance and Investment company Ltd.	Others	1.06	0.85
Northern Trading Company	Others	0.28	0.28
Paras Syndicate	Others	0.29	0.29
Amber Syndicate	Others	0.19	0.19
Eastern Trading Company	Others	0.13	0.13
Santon Finance and Investment company Ltd.	Others	1.14	0.91
		92.85	**75.15**
Reimbursement of expenses paid to			
Vardhman Yarns and Threads Limited	Associate	1.59	2.02
Vardhman Special Steels Limited	Associate	-	-
Vardhman Apparels Limited	Others	0.00	0.02
		1.59	**2.04**
Recovery of Common Expenses incurred **			
Vardhman Special Steels Limited	Associate	3.43	1.00
Vardhman Yarns and Threads Limited	Associate	2.76	2.76
		6.19	**3.76**
Payment against licence agreement**			
Vardhman Holdings Limited	Others	1.57	1.44
		1.57	**1.44**
Withdrawal/Contribution to/from employment benefit plans			
Mahavir Employees Gratuity Fund Trust	Post Employment Benefit Plans Trust	(3.87)	1.01
VAL Gratuity Trust Fund	Post Employment Benefit Plans Trust	0.34	0.10
		(3.53)	**1.11**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

45.3 Outstanding Balances:

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Receivables			
Vardhman Special Steels Limited	Associate	2.94	0.11
Vardhman Spinning and General Mills Limited	Others	0.01	0.00
Vardhman Apparels Limited	Others	0.02	0.02
Mahavir Traders	Others	0.09	0.02
Mahavir Employees Gratuity Fund Trust	Others	-	-
		3.06	**0.15**
Payables			
Vardhman Holdings Limited	Others	(1.58)	(1.43)
Vardhman Yarns and Threads Limited	Associate	(0.55)	(0.82)
		(2.13)	**(2.25)**
Payable to Key management personnel			
Mr. S.P. Oswal	KMP	12.44	12.07
Mrs. Suchita Jain	KMP	0.82	0.60
Mr. Neeraj Jain	KMP	0.88	0.93
Mrs. Sagrika Vir	KMP	0.38	0.20
Mr. Rajeev Thapar	KMP	0.06	0.08
Mr. Sanjay Gupta	KMP	0.01	0.02
Mr. Suresh Kumar	KMP	-	0.01
Mrs. Harpreet Kaur Kang	KMP	-	0.01
Mr. Udeypaul Singh Gill	KMP	-	0.01
Mr. Atul Khosla	KMP	-	0.01
Mr. Prem Kumar	KMP	-	0.01
Mr. B.K Choudhary	KMP	0.34	0.11
Mr.Vivek Gupta	KMP	0.11	0.11
Mr.Satin Katyal	KMP	0.01	0.01
Mr. Raish Shaikh	KMP	0.01	0.01
Ms. Parakh Oswal	KMP	-	0.00
		15.06	**14.19**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

45.4 Key management personnel compensation

Particulars	Relation	For the year ended March 31, 2026	For the year ended March 31, 2025
Compensation*			
Mr. S.P. Oswal	KMP	22.04	22.78
Mrs. Suchita Jain	KMP	3.52	3.28
Mr. Neeraj Jain	KMP	3.87	3.49
Mrs. Sagrika Vir	KMP	1.80	1.12
Mr. Rajeev Thapar	KMP	1.16	1.11
Mr. Sanjay Gupta	KMP	0.28	0.27
Mr. Prafull Anubhai	KMP	-	0.05
Mr. Suresh Kumar	KMP	0.09	0.09
Mrs. Harpreet Kaur Kang	KMP	0.07	0.07
Mr. Udeypaul Singh Gill	KMP	0.07	0.08
Mr. Atul Khosla	KMP	0.05	0.04
Mr. Prem Kumar	KMP	0.04	-
Mr. Arvind Sahay	KMP	0.03	-
Mr. B.K Choudhary	KMP	0.43	1.32
Mr.Vivek Gupta	KMP	0.80	0.40
Mr.Satin Katyal	KMP	0.11	0.06
Ms. Apinder Sodhi	KMP	-	0.03
Mr. Raish Shaikh	KMP	0.17	-
Ms. Parakh Oswal	KMP	0.04	0.02
Mr. Bhooshan Lal Uppal	KMP	0.02	0.01
Mr. Sandeep kapur	KMP	0.02	-
Mr. Sanjeev Jain	KMP	0.03	-
Mr. Anil Kumar	KMP	0.03	0.02
		34.67	**34.24**

* 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, 2026

(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, 2026	For the year ended March 31, 2025
National pension scheme	4.34	3.11
Provident fund administered through Regional Provident Fund Commissioner	46.90	46.70
Employees' State Insurance Corporation	10.59	11.28
Other Funds	1.74	1.77
	63.57	**62.86**

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 Code on Social Security, 2020 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, 2026

(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, 2026	As at March 31, 2025
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	7.78%	6.99%
Salary increase	6.00%	6.00%
Expected average remaining working life	11.80	26.32 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 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, 2026	March 31, 2025
Current Service cost	15.36	14.98
Past service cost and (gain) /loss from settlements	31.30	-
Curtailment due to Non routine settlements	(7.84)	-
Net interest expenses	0.45	(0.06)
	39.27	**14.92**

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, 2026	March 31, 2025
Actuarial gain/(losses) arising for the year on asset	(3.79)	0.33
"Actuarial gain/(losses) arising from changes in financial assumptions"	5.64	(2.26)
Actuarial gain/(losses) arising from changes in experience adjustments	3.14	2.86
	4.99	**0.93**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

(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	
	As at March 31, 2026	As at March 31, 2025
Present value of funded defined benefit obligation	145.87	119.04
Fair Value of Plan Assets	123.26	115.52
Net assets / (liability)	**(22.61)**	**(3.52)**

(vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Opening defined benefit obligation	119.04	107.34
Current Service Cost	15.36	14.98
Interest Cost	8.32	7.74
Past service cost including curtailment gains/losses	31.30	-
Curtailment due to Non Routine settlements	(7.84)	-
Actuarial (gain)/losses arising from changes in financial assumptions	(5.81)	2.21
Actuarial (gain)/losses arising from changes in experience adjustments	(3.14)	(2.98)
Benefits paid	(11.36)	(10.25)
Closing defined benefit obligation	**145.87**	**119.04**

(vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Opening fair value of plan assets	115.52	108.17
Return on plan assets (excluding amounts included in net interest expenses)	4.21	8.18
Contributions from/(Withdrawal by) employer	3.53	0.18
Benefits paid	-	(1.01)
Closing fair value of plan assets	**123.26**	**115.52**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 6.70 to 12.09 years (March 31, 2025: 12.30 years to 13.79 years). The Group expects to make a contribution of ₹21.58 crores (March 31, 2025: ₹17.79 crores) to the defined benefit plans during the next financial year.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(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, 2026	As at March 31, 2025
Discount Rate		
0.50% Increase	(4.50)	(5.04)
0.50% decrease	4.81	5.47
Future Salary increase		
0.50% Increase	4.57	5.32
0.50% decrease	(4.33)	(4.95)

(ix) Maturity Profile of Defined Benefit Obligation

	Year	Amount
a)	0 to 1 Year	22.05
b)	1 to 2 Year	20.07
c)	2 to 3 Year	12.22
d)	3 to 4 Year	10.44
e)	4 to 5 Year	9.64
f)	5 to 6 Year	7.07
g)	6 Year onwards	64.38

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 ₹7.82 crore (March 31, 2025 ₹8.26 crore)

(ii) Amount taken to balance sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Current	7.19	4.68
Non Current	18.82	19.48

46.4 Impact of Labour Code

The Government of India, vide Notification dated November 21, 2025, has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"), which consolidate and replace existing multiple labour legislations. In accordance with Ind AS 19 – Employee benefits, changes to employee benefit plans resulting from the new labour codes are treated as plan amendments, requiring immediate recognition of past service cost as expense in the statement of profit and loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. In view of this, the Group has evaluated the impact and recognised past service costs amounting to ₹33.69 crores which has been included under employee benefit expenses for the year ended March 31, 2026. Further, during the current year, the Group has made changes to salary structure and recognised additional impact in the past service cost amounting to ₹8.90 crores which has been included in employee benefit expenses.

Further, the Group continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/ additional guidance from authorities and will continue to assess the accounting implications basis such developments/ guidance, if required.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

46.5 Employee benefit expenses includes amount paid to contractor for wages of ₹46.11 crore (March 31, 2025 : ₹49.92 crore)

47 Assets pledged as security:

Particulars	As at March 31, 2026	As at March 31, 2025
Current assets		
Financial assets		
Trade receivables	1,294.99	1,288.80
Non-financial assets		
Inventory	3,581.90	3,681.80
Total current assets pledged as security	**4,876.89**	**4,970.60**
Non-current assets		
Property, plant & equipment	5,602.29	4,326.72
Total non-current assets pledged as security	**5,602.29**	**4,326.72**
Total assets pledged as security	**10,479.18**	**9,297.32**

48 Corporate Social Responsibility:

	As at March 31, 2026	As at March 31, 2025
a. Amount required to be spent by the group during the year,	17.77	24.52
b. Amount of expenditure incurred:*#	9.91	5.57
c. Shortfall at the end of the year**# (a-b)	7.86	18.77
d. Total of previous years shortfall (2022-23)	-	4.77
e. Total of previous years shortfall (2023-24)	5.46	12.76
f. Total of previous years shortfall (2024-25)	12.71	-
Total shortfall at year end	**26.03**	**36.30**
g. Movement of provision:		
-Opening	36.30	24.51
Add: Provision created during the year:	17.77	24.07
Less: Spent during the year (2021-22)	-	(0.51)
Less: Spent during the year (2022-23)	(4.77)	(2.52)
Less: Spent during the year (2023-24)	(7.30)	(3.95)
Less: Spent during the year (2024-25)	(6.06)	(5.30)
Less: Spent during the year (2025-26)	(9.91)	-
-Closing	**26.03**	**36.30**

***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.

****Reason for shortfall:**

Amount remaning unspent pertains to "Ongoing /Multiyear Projects" approved by CSR committee which will be spent in coming years.

#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 previous year. The same has been disclosed under directors' report and CSR-2 form submitted with ROC.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

Details of Deposit in Unspent CSR Account:	FY 2025-26	FY 2024-25	FY 2023-24
1. Unspent CSR amount deposited in special account (Unspent CSR Account)	7.86	18.77	16.71
2. Spent during the year for FY 2023-24	-	-	-
3. Spent during the year for FY 2024-25	-	-	(3.95)
4. Spent during the year for FY 2025-26	-	(6.06)	(7.30)
Balance lying in the bank account which will be spent in coming years as on March 31, 2026 {1-(2+3)}	**7.86**	**12.71**	**5.46**
Date of deposit	27-Apr-26	28-Apr-25	29-Apr-24

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:

(i) 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).

(ii) The group has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(iii) 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.

(iv) 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).

(v) 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).

(vi) 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.

(vii) During the financial year, the group has not traded or invested in Crypto currency or Virtual Currency.

(viii) The group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(ix) 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

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 accounting softwares the audit trail (edit log) feature was enabled throughout the year.

The audit trail has been preserved by the Parent company as per statutory requirements for record retention.

50 (B) In respect of the Vardhman Acrylics limited ("VAL") subsidiary company,the VAL has used an accounting software for the financial year ended 31st March, 2026 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 as expect below:

i. The audit trail facility in the software "NOW" which was used till 30th June, 2025 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.

ii. We are unable to comment on audit trail at database level due to absence of adequate coverage in SOC report of software " SAP S/4 HANA" which has been using since 1st July , 2025.

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.

(b) In respect of an associate namely Vardhman special steels limited (""VSSL""), VSSL has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the respective softwares:

In respect of one accounting software used for maintenance of purchase, production & sales records (operated from 1 April 2025 till 30 June 2025), the edit logs for changes made to the audit trail feature was not available throughout the period and hence, we are unable to determine whether changes to the audit trail feature were made during the period of its operation.

In respect of the accounting software used for maintenance of books of accounts (operated from1 July 2025 till 31 March 2026), the feature of recording audit trail (edit log) facility was not enabled at the application level for certain tables/fields relating to financial reporting, purchase to payables,revenue to receivables, fixed asset management, payroll, production and inventory and other allied areas of accounting software. Further, the audit trail feature was not enabled at the database level to log any direct data changes.

Further, where audit trail (edit log) facility was enabled and operated throughout the year and except for sub-paragraph above, we did not come across any instance of the audit trail feature being tampered with.

Additionally, except where the audit trail was not enabled in the prior years, the audit trail has been preserved by the Company as per statutory requirements for record retention.

(c) In case of Vardhman Yarns and Threads Limited (""VYTL"") the Holding Company and its subsidiary Company have used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all transactions recorded in the software except in respect of:

i. VYTL has 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 during the period January 01, 2026 to March 31, 2026. However, in cases where existing master records

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

originally created prior to January 01, 2026 were subsequently modified, the previous values of such records were not captured in the audit logs. In view of the above limitations, the management is unable to assess whether during the year there was any instance of audit trail feature being tampered with and whether the audit trail in respect of the financial years March 31, 2025 and March 31, 2024 has been preserved by the company as per the statutory requirements for record retention. The subsidiary Company is in the process of addressing the above limitations by implementing the necessary modifications to the accounting software. Additionally, the Subsidiary Company has taken backups of the relevant database tables forming part of the books of account w.e.f. May 1, 2026, and accordingly, the historical values of records modified thereafter are verifiable from such backups.

ii. In respect of the subsidiary of VYTL:

(a) property, plant and equipment, customers, vendors, material and general ledger account masters, where audit trail feature was not enabled;

(b) direct changes to data when using certain access rights and

(c) certain changes made using privileged/ administrative access rights, as described.

Further no instance of audit trail feature being tampered with was noted in respect of accounting software where the audit trail has been enabled.

(d) 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.

(e) 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.

50 (C) During the previous year, the company has reclassified government grant receivable from "Other Non-Current Assets" to Other Financial Assets (Non-Current) amounting to ₹55.31 crores against which provision for expected credit loss was recognized of ₹15.79 crores which has been further increased to ₹21.29 crores pursuant to delay risk . The Company is following up with the appropriate authority and filed writ petition at Hon'ble High court for the recovery of the same.

51 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, 2026	Dividend per Share (In ₹)
Vardhman Textiles Limited	Parent	28,92,81,800	5.00
Vardhman Special Steels Limited	Associate	9,66,85,678	3.50
Vardhman Acrylics Limited	Subsidiary	8,03,63,746	1.50

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

52 During the previous year, the company has reclassified MP State subsidy recoverable on term loan interest and Capital Subsidy recoverable on term loan under TUF from "Other Current Assets" to Other Financial Assets (Non-Current) amounting to ₹36.95 crores and ₹33.49 crores respectively.

53 On May 01, 2023, the Parent Company executed the Share Subscription and Shareholder's Agreement along with the Power Purchase Agreement to acquire 31.20% equity stake in one or more tranches in Renew Green (MPR One) Private Limited, the investee company (a wholly owned subsidiary of Renew Green Energy Solutions Private Limited), for setting up of the 11.5 MW Wind Solar Hybrid power plant in the state of Madhya Pradesh. On June 24, 2025, the Company completed its part of the transaction by investing a total of ₹16.67 crores in the Renew Green (MPR One) Private Limited and accordingly got allotment of total 755 equity shares of Face value ₹10 each. The Company doesn't have any board position but has right to appoint only non-participating observer in the board which neither creates any significant influence or control over the investee and accordingly, the later is not being construed as an Associate in terms of Ind AS 28, "Investments in Associates and Joint Ventures" & Companies Act 2013 and therefore,the investments are measured at FVTPL and the financial statements of the same are not required to be consolidated in the financial results of the Group in terms of Ind AS 110.

54 On November 25, 2025, the Parent Company has executed the Share Subscription and Shareholder's Agreement along with the Power Purchase Agreement to acquire 19.50% equity stake in one or more tranches in Sone Solar Energy One Private Limited, the investee company (a wholly owned subsidiary of ASG HOLDCO BETA PTE. Limited), for setting up of the 22.5 MW Solar power plant in the state of Punjab and the Company has made the part of the transaction by investing a total of ₹5.05 crores in the Sone Solar Energy One Private Limited and accordingly got allotment of total 23,161 equity shares of Face value ₹10 each and 50,28,961 Compulsory Convertible Debentures of Face value ₹10 each which is convertible into equity shares in 1:1 ratio at the maturity . The Company doesn't have any board position but has right to appoint only non-participating observer in the board which neither creates any significant influence or control over the investee and accordingly, the later is not being construed as an Associate in terms of Ind AS 28, "Investments in Associates and Joint Ventures" & Companies Act 2013 and therefore, the investments are measured at FVTPL and the financial statements of the same are not required to be consolidated in the financial results of the Group in terms of Ind AS 110.

55 Project and Pre Operative Expenses related to Technical Textile unit (Baddi) capitalized during the year

Particulars	Amount(in crores)
Expenses incurred during the year:	
Raw materials consumed(Net of Trial run production)	0.12
Employee benefits expenses	
- Salaries and wages	6.40
- Contribution to provident and other funds	0.52
- Staff welfare expenses	0.15
Other Expenses	2.95
Less: Sale of products and other income	(0.64)
Total Expenses Capitalised	**9.50**

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

56 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, 2026	As at March 31, 2025
A. Subsidiaries				
(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. Associates				
(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	20.08%	24.69%

(b) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
I. Assets						
(A) Non Current Assets	337.37	302.65		-	677.73	474.76
(B) Current Assets						
i) Cash & Cash Equivalent	34.68	38.74	0.14	0.17	6.27	10.76
ii) Others	513.21	654.36		-	949.11	650.40
Total Current Assets	547.89	693.10	0.14	0.17	955.38	661.16
Total Assets (A+B)	885.26	995.75	0.14	0.17	1,633.11	1,135.92
II. Liabilities						
(A) Non Current Liabilities						
i) Financial Liabilities	35.90	11.24	-	-	0.75	3.80
ii) Non Financial Liabilities	11.22	7.80	-	-	25.11	20.98
Total Non Current Liabilities	47.12	19.04	-	-	25.86	24.78
(B) Current Liabilities						
i) Financial Liabilities	175.01	116.21	0.01	0.03	312.01	294.49
ii) Non Financial Liabilities	39.23	31.05		-	17.93	18.73
Total Current Liabilities	214.24	147.26	0.01	0.03	329.94	313.22
Total Liabilities (A+B)	261.36	166.30	0.01	0.03	355.80	338.00
Net Assets (I-II)	623.90	829.45	0.13	0.14	1,277.31	797.92

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

(c) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Revenue from Operations	1,351.11	1,286.71	-	0.00	1754.43	1764.41
Profit Before Tax	312.75	302.88	(0.00)	(0.00)	164.05	125.06
Tax Expense	80.38	77.89	-	-	42.03	31.97
Profit after Tax	232.37	225.00	(0.00)	(0.00)	122.02	93.09
Other Comprehensive Income	1.02	(0.06)	-	-	0.44	(0.28)
Total Comprehensive Income	233.39	224.93	(0.00)	(0.00)	122.47	92.81
Depreciation & Amortisation	28.26	28.41	-	-	32.87	33.47
Interest Expense (Net of Interest Income)	2.96	1.61	0.00	0.00	11.91	18.63

(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, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Investment as at the beginning of the Period	98.10	93.43	0.06	0.06	144.88	126.00
Add: Share of profit for the period	25.56	24.75	(0.00)	(0.00)	24.50	22.98
Add: Share of OCI for the period	0.11	(0.01)	-	(0.00)	0.09	(0.07)
Less: Dividend distributed during the period	(48.29)	(20.07)	-	-	(6.05)	(4.03)
Investment as at the end of the Period	75.48	98.10	0.06	0.06	163.42	144.88

Notes to Consolidated Financial Statements for the year ended March 31, 2026

(All amounts in ₹ crores, unless otherwise stated)

57. 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, 2026							
	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
Parent								
Vardhman Textiles Limited	96.22%	10,187.73	99.30%	740.02	94%	3.98	99.27%	744.00
Subsidiaries								
Indian								
Vardhman Acrylics Limited	2.40%	253.93	3.66%	27.25	2%	0.08	3.65%	27.33
VTL Investments Limited	0.53%	56.10	0.53%	3.96	0%	-	0.53%	3.96
Adjustment due to consolidation	-1.28%	(135.61)	-11.41%	(85.00)	0%	0.01	-11.34%	(84.99)
Non Controlling Interest in subsidiaries	0.70%	74.05	1.07%	7.95	1%	0.02	1.06%	7.97
Associates (Investment as per the equity method)								
Indian								
Vardhman Special Steels Limited	1.54%	163.42	3.29%	24.50	2%	0.09	3.28%	24.59
Vardhman Spinning & General Mills Limited	0.00%	0.06	0.00%	0.00	0%	-	0.00%	(0.00)
Vardhman Yarns & Threads Limited	0.71%	75.48	3.43%	25.55	3%	0.12	3.43%	25.67
Less:- Investments in Associates	-0.50%	(52.77)	0.00%	-			-	-
Add/Less:- Deferred Tax Liabilities on undistributed profits on associates	-0.33%	(34.60)	0.14%	1.02	-1.19%	(0.05)	0.13%	0.97
Total	**100%**	**10,587.79**	**100%**	**745.25**	**100%**	**4.25**	**100%**	**749.50**

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
Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 07, 2026

FORM AOC-1, PURSUANT TO SECTION 129(3) OF COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

Part A

(₹ In crore)

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	47.68	173.56
f) Total Assets	51.68	342.58
g) Total Liabilites	51.68	342.58
h) Details of investment (Except in case of investment in the subsidiaries)	50.62	183.07
i) Turnover (net)	7.72	318.57
j) Profit before taxation	7.72	28.86
k) Provision for taxation	0.76	1.61
l) Profit after Taxation	6.96	27.25
m) Proposed dividend	2.60	12.05
n) Total Comprehensive Income for the period	6.96	27.33
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	31.03.2026
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 %	20.08%
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	256.49 crore
7. Profit / (Loss) for the year	122.02 crore
i. Considered in Consolidation	24.50 crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Spinning & General Mills Limited
1. Latest audited Balance Sheet Date	31.03.2026
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	0.06 crore
7. Profit / (Loss) for the year	(0.005) crore
i. Considered in Consolidation	(0.0024) crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Yarns and Threads Limited
1. Latest audited Balance Sheet Date	31.03.2026
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	68.63 crore
7. Profit / (Loss) for the year	232.37 crore
i. Considered in Consolidation	25.56 crore
ii. Not Considered in Consolidation	N.A.

NOTICE

Notice is hereby given that the **53RD ANNUAL GENERAL MEETING** of Vardhman Textiles Limited will be held on Thursday, the 17th day of September, 2026 at 10:00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:-

ORDINARY BUSINESS:

Item No. 1 – To adopt standalone financial statements:

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2026, together with reports of Board of Directors and Auditors thereon.

Item No. 2 – To adopt consolidated financial statements:

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2026, together with report of Auditors thereon.

Item No. 3 – To declare Dividend:

To declare a dividend of ₹5/- per equity share for the year ended 31st March, 2026.

Item No. 4 – To re-appoint Mr. Sachit Jain as a director liable to retire by rotation:

To appoint a Director in place of Mr. Sachit Jain, (holding DIN No. 00746409), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Item No. 5 – To re-appoint Mrs. Soumya Jain as a director liable to retire by rotation:

To appoint a Director in place of Mrs. Soumya Jain, (holding DIN No. 10254459), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

Item No. 6 – To ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2027:

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 31st March, 2027, be paid the remuneration of ₹8,44,000/- plus out of pocket expenses and applicable taxes."

By Order of the Board

Place: Ludhiana **(Sanjay Gupta)**
Dated: 30th July, 2026 Company Secretary

NOTES:

1. The 53rd Annual General Meeting (AGM) is being convened through Video Conferencing ('VC') /Other Audio Visual Means ('OAVM') pursuant to General Circular No(s). 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated 22nd September 2025, issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as 'MCA Circulars'), which permit the companies to hold AGM through VC/ OAVM, which does not require physical presence of members at a common venue and sending physical copies of Annual Report. The deemed venue for the 53rd AGM shall be the Registered Office of the Company i.e. Vardhman Premises, Chandigarh Road, Ludhiana - 141010.

2. 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 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.

3. 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.

4. 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.

5. 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.

6. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Director retiring by rotation/ seeking 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.

7. The Company has fixed 28th day of August, 2026, as the "Record Date" to determine the names of the Members entitled to receive payment of dividend for the financial year ended 31st March, 2026, if approved at the AGM. Further, the Register of Members and the Share Transfer Books of the Company shall remain closed from 29th August, 2026 to 5th September, 2026 (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 28th August, 2026 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 28th August, 2026.

8. 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.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

9. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2025-26

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2025-26 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 2025-26 will also be available on the Company's website www.vardhman.com, website of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on website of Central Depository Services (India) Limited (e-voting agency) at www.evotingindia.com

10. For receiving all communications (including Annual Report) from the Company electronically:

a) 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, at secretarial.lud@vardhman.com or to RTA at 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 14th September, 2026 (9:00 a.m.) and ends on 16th September, 2026 (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 10th September, 2026, may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting after end of voting period on 16th September, 2026.

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 9th December, 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
1. Members who have already registered for IDeAS facility to follow below steps: (i) Go to URL: https://eservices.nsdl.com (ii) Click on the "Beneficial Owner" icon under 'IDeAS' section. (iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on "Access to e-Voting". (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.	**1. Members who have already registered for Easi / Easiest to follow below steps:** (i) Go to URL: www.cdslindia.com and then go to Login and select New System Myeasi. (ii) Login with user id and password. (iii) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication. (iv) Click on the Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.
2. User not registered for IDeAS e-Services: (i) To register click on link: https://eservices.nsdl.com. Select option "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. (ii) Proceed with completing the required fields.	**2. User not registered for Easi/ Easiest:** (i) Option to register is available at www.cdslindia.com. (ii) Click on login & New System Myeasi Tab and then click on registration option.
3. Users can directly access e-Voting module of NSDL and follow the below process: (i) Go to URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp (ii) Enter 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. (iii) Enter the OTP received on registered email id/mobile number and click on login. (iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. (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.	**3. Users can directly access e-Voting module of CDSL and follow the below process:** (i) Go to URL: www.cdslindia.com (ii) Click on the icon "E-Voting" (iii) Provide Demat Account Number and PAN No. (iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat account. (v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress. (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.

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 **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 21 09911.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 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.

(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 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: 260813013 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 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.

- 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, 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. 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/ 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 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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to 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 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 1st April, 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, 2025. 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 ₹10,000/-. 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: 30th July 2026

(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. 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 30th July, 2026 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 31st March, 2027, at a remuneration of ₹8,44,000/- 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 31st March, 2027. 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.

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 re-appointment in the Annual General Meeting.

Name of the Director	Mr. Sachit Jain	Mrs. Soumya Jain
Date of Birth	08.07.1966	07.07.1993
Age	60	33
Date of First Appointment	13.06.1994	03.05.2025
No. of meetings attended during the FY 2025-26	5	5
Expertise in specific functional area	Mr. Sachit Jain is a Business Executive having experience of more than 36 years in Textile and Steel Industry.	Mrs. Soumya Jain is a Business Executive having knowledge of production, marketing and HR.
Qualification	B. Tech., M.B.A	B.Sc. Economics Hons., MBA in family business.
Directorships in other Companies as on 31st March, 2026	**LISTED COMPANIES:** • Vardhman Special Steels Limited • Vardhman Holdings Limited • Vardhman Acrylics Limited **UNLISTED COMPANIES:** • VTL Investments Limited • Santon Finance & Investment Company Limited • Flamingo Finance & Investment Company Limited • Ramaniya Finance & Investment Company Limited • Mahavir Spinning Mills Private Limited • Devakar Investment & Trading Company Private Limited • JJG Aero Private Limited • The Alloy Steel Producers Association of India	**LISTED COMPANY:** • Vardhman Special Steels Limited

Name of the Director	Mr. Sachit Jain	Mrs. Soumya Jain
Chairperson/Member of Committees of other Companies as on 31st March, 2026*	**LISTED COMPANIES:** **Vardhman Special Steels Limited:** • Corporate Social Responsibility Committee (Member) • Share Transfer Committee (Chairman) • Environmental, Social and Governance Committee (Chairman) **Vardhman Holdings Limited:** • Nomination & Remuneration Committee (Member) • Stakeholders' Relationship Committee (Member) • Risk Management Committee (Chairman) • Share Transfer Committee (Member) • Asset Liability Mangement Committee (Chairman) **Vardhman Acrylics Limited:** • Corporate Social Responsibility Committee (Chairman) **UNLISTED COMPANIES:** **Devakar Investment & Trading Company Private Limited:** • Nomination & Remuneration Committee (Member) • Corporate Social Responsibility Committee (Member) • Audit Committee (Member) • Risk Management Committee (Member) • Asset Liability Mangement Committee (Member) **VTL Investments Limited:** • Corporate Social Responsibility Committee (Member) **Santon Finance & Investment Company Limited:** • Nomination & Remuneration Committee (Member) • Risk Management Committee (Member) • Asset Liability Mangement Committee (Member)	**LISTED COMPANY:** **Vardhman Special Steels Limited:** • Stakeholders' Relationship Committee (Member) • Environmental, Social and Governance Committee (Member)
Listed entity from which the Director resigned in last 3 years	Nil	Nil
Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met	Not Applicable	Not Applicable
Shareholding in the Company	Nil	41,015
Relationship with other Directors/ KMP	Mr. Shri Paul Oswal is father-in-law, Mrs. Suchita Jain is wife, Mrs. Soumya Jain and Mrs. Sagrika Vir are daughters of Mr. Sachit Jain.	Mr. Shri Paul Oswal is grandfather, Mr. Sachit Jain is father, Mrs. Suchita Jain is mother and Mrs. Sagrika Vir is sister of Mrs. Soumya Jain.

CORPORATE INFORMATION

Board of Directors

Mr. Shri Paul Oswal
Chairman & Managing Director

Mr. Udeypaul Singh Gill

Mr. Sachit Jain

Mr. Suresh Kumar

Ms. Harpreet Kaur Kang

Dr. Prem Kumar

Mr. Atul Khosla

Dr. Arvind Sahay

Mrs. Soumya Jain

Mrs. Suchita Jain
Vice-Chairperson & Managing Director

Mr. Neeraj Jain
Managing Director

Mrs. Sagrika Vir
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
Yes 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
Website: www.vardhman.com
CIN: L17111PB1973PLC003345

Registrar & Transfer Agent

Alankit Assignments Limited,
New Delhi

Branches

- P-22, 3rd 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
- Plot No. 74, Ground Floor, Okhla Industrial Estate, Phase - 3 South East Delhi, New Delhi - 110 020
- Door No. 4/1-4, Avinashi Road, Pantaloon Back side, Tirupur - 641603
- 1st Floor, Palm Court, Opposite Management Development Institute, MG Road, Sector -16, Gurugram - 122 001

Notes:

Vardhmān

Delivering Excellence. Since 1965.

Vardhman Textiles Limited

Chandigarh Road, Ludhiana - 141 010

CIN: L17111PB1973PLC003345