

02<sup>nd</sup> July, 2026

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001. <b>Scrip Code: 532782</b>	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. <b>Scrip: SUTLEJTEX</b>
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Dear Sirs / Madam,

**Sub: Annual Report and Notice of 21<sup>st</sup> Annual General Meeting of the Company**

This is further to our letter dated 29<sup>th</sup> June, 2026 wherein the Company had informed that the Annual General Meeting (AGM) of the Company is scheduled to be held on Monday, 27<sup>th</sup> July, 2026 through Video Conference / Other Audio-Visual Means, in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), we are submitting herewith the Annual Report of the Company and the Notice of AGM for the financial year 2025-26, which is also being sent through electronic mode to the Members.

Further, in terms with Regulation 36(1)(b) of the Listing Regulations, 2015, the Company has issued letters to those Shareholders whose e-mail addresses are not registered with the Company / Depository Participants, providing the web-link from where the AGM Notice and Annual Report can be accessed on the Company's website.

The same is also available on the Company's website at [www.sutlejtextiles.com](http://www.sutlejtextiles.com).

Thanking you

Yours faithfully  
For **Sutlej Textiles and Industries Limited**

Manoj Contractor  
Company Secretary and Compliance Officer





# Threads of transformation

Sutlej Textiles and Industries Limited  
Annual Report 2025-26



## Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

## Highlights of our performance FY 2025-26

Revenues (FY 2025-26)

2,584.64 crore

EBITDA (FY 2025-26)

85.14 crore

Revenues (FY 2024-25)

2,664.97 crore

EBITDA (FY 2024-25)

68.18 crore

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Sutlej's ongoing transformation is being woven through multiple interconnected initiatives rather than a single change programme.

The Company is moving from commodity-driven operations towards value-added, specialized and margin-accretive businesses (fibres, yarns, home textiles and technical textiles).

Sustainability is emerging as a core thread of growth through green fibre, renewable energy, resource traceability, and circular manufacturing practices.

Product integration across fibre, yarn, fabric, and finished products is strengthening operational resilience, customer relevance and long-term competitiveness.

The Company is deepening its market-facing personality through innovation, design capability, customer-centricity, and faster product development.

## 5 messages of this Annual Report

1

Sutlej reinvented its personality in the last financial year through diverse initiatives; the Company increased its EBITDA

2

A complement of premiumization, market diversification and sustainability are helping Sutlej build a more dynamic and profitable business

3

The Company deepened its transition from a yarn player to an integrated, value-driven textiles platform

4

The Company is pivoting towards specialty yarns and technical textiles to enhance margins and reduce performance cyclicality

5

The home textiles business turned around in the last financial year and is expected to grow attractively

## Sutlej Textiles and Industries Limited is evolving into a modern, integrated and value-added textiles manufacturer.

This reinvention is being marked by scale, innovation, integration, value-addition, lifestyle focus and sustainability.

Besides, this repositioning is building on the Company's multi-decade experience and standing across the Indian and global markets.

Going ahead, the Company's growth will be driven by the performance of its four product engines - speciality yarns, green fibre, home textiles and technical textiles - coming together.

This complement is expected to strengthen the Company's brand, enhance competitiveness and strengthen profitability.

This reinvention is projected to make the Company a consistent outperformer, enhancing value for all its stakeholders.

### Guiding philosophy

**Vision:** Our goal is to become a global leader in textiles by offering comprehensive solutions from fibre to yarns to home and technical textiles. We strive to maximize value for our customers and establish ourselves as their preferred partner.

**Mission:** We believe in pushing our limits and surpassing them. We also recognize the importance of evolving our thinking with changing times.

### Company overview

Sutlej Textiles traces its origin to 1934 and carries a rich legacy as a part of the reputed industrial group founded by the late Dr. K. K. Birla. Over the decades, the Company has evolved into a leading integrated textile manufacturer in India, offering a diverse portfolio spanning synthetic, natural, mélange, and blended yarns, along with value-added spun yarns, recycled polyester fibre and home furnishings.

### Manufacturing footprints and capabilities

The Company operates advanced manufacturing facilities across Jammu & Kashmir, Rajasthan, Himachal Pradesh, and Gujarat, supported by modern technology and continuous capacity augmentation. As of FY 2025-26, Sutlej's installed spinning capacity stood at 4.11 lakh spindles, with an aggregate production capacity of 270 tonnes per day.

The Company's product portfolio includes dyed synthetic cum blended yarns,






cotton mélange cum blended mélange yarns, and a wide range of specialty fibres such as Modal, Tencel, Bamboo, and Coolmax. The Company also manufactures value-added yarns including Siro Spun, Siro Compact, Lycra Twisted, Core Spun, and Double Core variants,

available across single-ply, double-ply, and multi-fold configurations.

Building on this integrated fibre-to-yarn platform, Sutlej is progressively advancing into technical textiles and performance yarns, addressing specification-driven applications

such as industrial, protective, and functional textiles. This evolution is strengthening its positioning in higher-value segments while leveraging existing manufacturing capabilities and sustainability-led fibre resources.

## Manufacturing facilities and installed capacities

Unit	Location	Product profile	Installed capacity
Chenab Textile Mills	Kathua, Jammu & Kashmir		1,04,448 Spindles of cotton blended mélange yarns 1,08,672 Spindles of man-made fibre yarns
Rajasthan Textile Mills	Bhawanimandi, Rajasthan		35,280 Spindles of cotton blended mélange yarns 83,040 Spindles of man-made fibre yarns
Birla Textile Mills	Baddi, Himachal Pradesh		36,503 Spindles of cotton blended mélange yarns 42,745 Spindles of man-made fibre yarns
Damanganga Home Textiles	Daheli, Gujarat		7.20 Million metres per annum of home textiles 118 Shuttle-less looms
Sutlej Green Fibre	Baddi, Himachal Pradesh		120 Metric tonnes per day of recycled polyester fibre

These facilities - among the most extensive in the segments addressed by the Company reflect Sutlej's integrated manufacturing platform comprising fibre, yarn, and home textiles, possessing the flexibility to support value-added and emerging technical textile applications.

## Products offering

**Yarn:** The Company offers a diverse range of dyed spun yarns across natural and synthetic fibres, available in multiple blends, shades, and counts ranging from 6s to 50s. Its comprehensive portfolio is designed to meet varied customer requirements across applications, providing an integrated solution for diverse yarn needs.

**Green fibre:** The Company operates a backward-integrated recycled polyester fibre facility, converting post-consumer PET into high-quality fibre.

This provides raw material security, improves cost stability, and partially insulates the yarn business from input volatility. The segment also enables traceable, sustainable offerings aligned with global regulatory and customer requirements, supporting premiumization opportunities.

**Home textiles:** The Company focuses on design-led, value-added home textile products such as curtains, upholstery, and made-ups. It operates in technically complex segments with higher entry barriers, ensuring strong customer stickiness and limited substitution risk. Growth is driven

by product premiumization, market diversification, and a selective expansion into ready-to-use offerings, positioning the segment as margin-accretive.

**Technical textiles:** The Company is in the early stage build out in the area of technical textiles, with industrial, automotive, and protective applications. Leveraging its fibre and yarn capabilities, this segment targets higher-margin, specification-driven products with strong entry barriers. This business represents a long-term growth opportunity for the Company.

## Quality and sustainability credentials

The Company adheres to stringent quality and sustainability standards, aligned with IS/ISO 9001 frameworks, and holds a wide array of globally recognized certifications. These include Global Organic Textile Standard (GOTS) Version 6.0, Organic Content Standard (OCS), Global Recycled Standard (GRS), Recycled Claim Standard (RCS), FSC Chain of Custody, and Oeko-Tex Standard 100.

The Company's manufacturing facilities are certified under ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), ISO 45001:2018 (Occupational Health & Safety), and ISO 50001:2018 (Energy Management), along with SA 8000:2014 for Social Accountability. The Company also holds Fair Trade certification (FLOCERT) and IS 17265:2023 certification from BIS and is associated with global initiatives such as Better Cotton, Cotton Made in Africa, and Inditex,

with certifications validated by agencies including Control Union and TUV SUD.

### Customers

The Company services a portfolio of marquee global and domestic brands across the apparel and textile value chain. Its clientele includes brands like Jockey, Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim Bhiwani, Digjam, JCPenney, Monte Carlo, Brandix, H&M and Pantaloons, among others.

### Global footprint

Sutlej has established a strong international presence, supported by long-standing relationships with agents and distributors. With exports spanning over 60 countries, the Company is among India's leading exporters of value-added synthetic and blended yarns, with a significant presence across the United States, European Union, the United Kingdom, Turkey, China, Hong Kong, Bangladesh, Latin America, Africa, and other key regions.


### Credit rating

The India Ratings credit rating agency assigned an IND A / Negative rating for the Company's long-term instruments, reflecting an adequate degree of safety with respect to timely servicing of financial obligations and indicating a low credit risk. Sustained EBITDA recovery and deleveraging confirm the above. IND A1 rating was assigned for short-term instruments, signifying a strong capacity for timely payment of financial obligations and a consistent track record of meeting debt obligations.


### Recognition and awards

The Company was selected for the Gold Trophy for Spun Yarn for FY 2024-25 by Man-Made and Technical Textiles Export Promotion Council and Silver Trophy for the second Highest Exports of Processed Yarns for 2023-2024 by The Cotton Textiles Export Promotion Council.


Specialized and value-added melange and dyed yarns




Home textiles



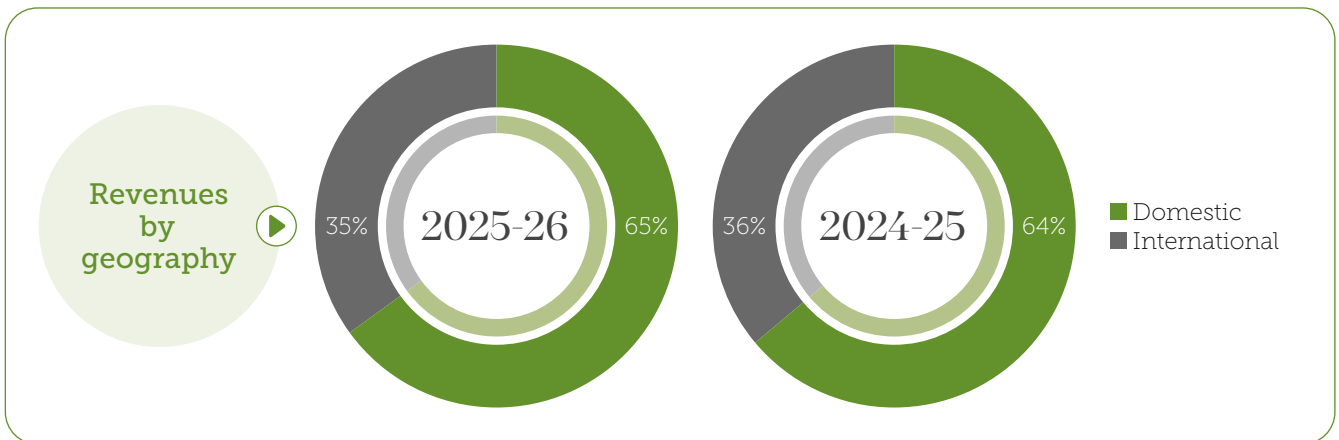
**Our business verticals**



Sustainable green fibre



Technical textiles



# This has been our performance track record

## Overview

The Company's performance in recent years was challenged by a slowdown in the global textile sector.

The Company transitioned from a yarn manufacturer to an integrated, value-driven textile platform.

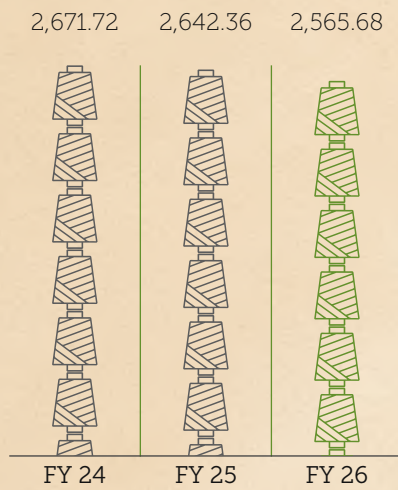
The shift was marked by a deeper presence across synthetic and blended yarns, design-led home textile offerings, increased consumption of green fibre produced within and a proposed extension into technical textiles.

Besides, the performance was increasingly marked by conscious value-addition and cost management. The Company is repositioning towards higher-margin, specification-driven segments (technical textiles and specialty fibres), strengthening customer traction and realizations.

FY 2025-26 reflected the early signs of a financial turnaround, with sequential performance improvement.

## Total income from operations

(Rs. crore)



### Meaning

The total revenue the Company earns from its core business activities.

### Importance

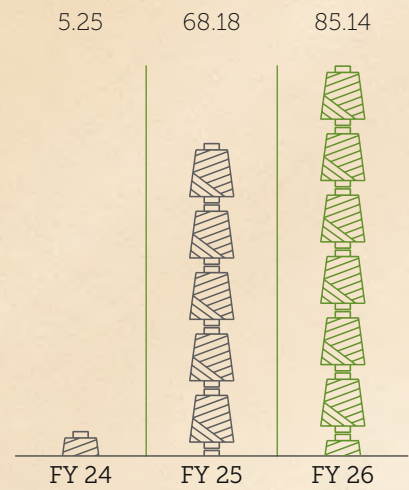
This reflects our ability to anticipate market trends and deliver customized solutions through advanced capabilities and an efficient, responsive supply chain.

### Value impact

Revenue from operations stood at Rs. 2,565.68 crore in FY 2025-26 compared to Rs. 2,642.36 crore in FY 2024-25, reflecting a decrease of 2.90% due to subdued demand, inventory corrections in key markets, uncertainty around US tariffs on textile imports, and geopolitical disruptions across trade-intensive regions. The fact that, revenues remained broadly stable, despite a challenging global textile environment, indicates sales resilience.

## EBITDA

(Rs. crore)



### Meaning

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) reflects the Company's operating profitability before the impact of financing, accounting and tax-related factors.

### Importance

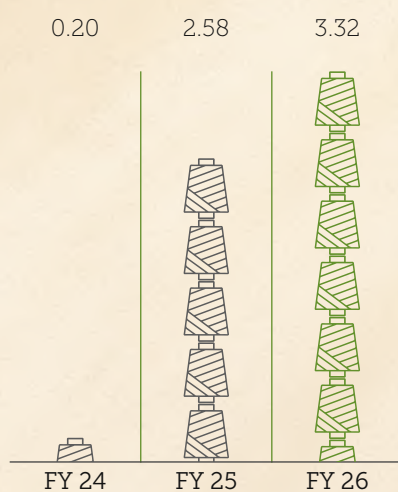
It is a key indicator of core business performance and operating efficiency. EBITDA highlights our ability to generate earnings from operations, independent of capital structure and non-cash charges, and is critical for assessing cash generation potential.

### Value impact

EBITDA for FY 2025-26 stood at Rs. 85.14 crore, a change of 24.88% over Rs. 68.18 crore in FY 2024-25 due to a strategic reset and turnaround initiatives. EBITDA had recovered from Rs. 5.25 crore in FY 2023-24 to Rs. 68.18 crore in FY 2024-25 and the growth momentum was maintained during the the last financial year

## EBITDA margin

(%)



### Meaning

EBITDA margin represents EBITDA as a percentage of total income, indicating the proportion of operating earnings generated from each unit of revenue.

### Importance

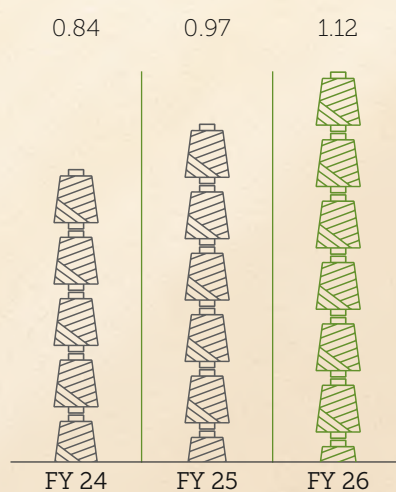
It reflects our operating efficiency and pricing power and is a key measure of profitability across cycles. Higher margins indicate better cost control, product mix, and value addition.

### Value impact

EBITDA margin for FY 2025-26 stood at 3.32% compared to 2.58% in FY 2024-25, reflecting an improvement of 74 basis points due to a strategic move towards value-addition. Margins had improved from 0.20% in FY 2023-24 to 2.58% in FY 2024-25, indicating a gradual recovery in operating efficiency.

## Gearing

(x)



### Meaning

This is derived through the ratio of net debt to net worth (less revaluation reserves).

### Importance

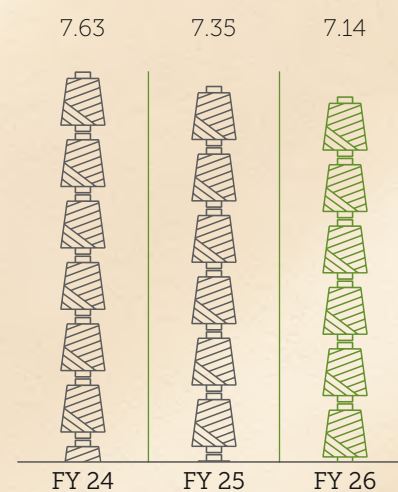
This is one of the defining measures of a Company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing, better). In turn, it indicates room weather sectorial downcycles.

### Value impact

Gearing rose from 0.84 to 1.12 and gross debt increased to Rs. 929 crore. Leverage rose, by design, on group support to fund the turnaround, with a defined deleveraging path as EBITDA compounds. Despite this increase, the Company's gearing levels remained moderate over the past few years, demonstrating prudent financial management in a capital-intensive industry amidst a sectorial slowdown.

## Debt cost

(%)



### Meaning

This is determined through the calculation of the average cost of the consolidated debt recorded on the Company's books.

### Importance

This reflects our capability in assuring bankers and other debt providers of the strength of our business model, resulting in a steadily declining cost of debt (potentially contributing to improved margins).

### Value impact

Debt cost stood at 7.14% in FY 2025-26 compared to 7.35% in FY 2024-25, reflecting a movement of 21 basis points due to a decrease in MCLR, Repo and SOFR rates and increased utilization. Over the period, borrowing costs remained stable, demonstrating the Company's ability to source affordable funding despite the sectorial slowdown.

# Weaving a thread of transformation across Sutlej

## Overview

There are moments in the life of a company when performance must be interpreted not merely through numbers, but through direction. The year under review was one such moment for Sutlej.

At first glance, the financial outcomes for the year may appear measured. Revenue from operations stood at Rs. 2,565.68 crore, reflecting a marginal decline of 2.90% over the previous year, while EBITDA increased by a robust 24.88% to Rs. 85.14 crore. While these numbers provide an important snapshot of performance, they do not fully capture the significance of the year under review.

To assess this year solely through the lens of annual financial metrics would be to overlook the deeper transformation that took place across the organization. This was not a year of incremental progress; it was a year of purposeful change. Beneath the headline numbers, we strengthened our operational foundations, sharpened our strategic focus, enhanced efficiencies and laid the groundwork for sustainable and profitable growth. The year marked a decisive step in our turnaround journey, as we continued to reshape our business for greater resilience, competitiveness, and long-term value creation.



**CS Nopany**  
Executive Chairman

### Three performance features

Three features defined our performance through this period.

The first is that we demonstrated resilience and performed creditably in the face of one of the most challenging global textile environments in recent memory.

We protected our net worth and competitiveness.

The second is that we built a new sense of confidence, grounded not in sentiment but in the visible outcomes of sweeping transformation across the Company.

The third is that our investments in sustainable products and processes are expected to strengthen not only our environmental responsibility but also the viability of our business model.

### A sector under strain, a Company choosing response

The backdrop against which this change unfolded was far from benign. The global textile sector remained under sustained pressure, shaped by demand

volatility, inventory corrections in key markets, uncertainty around US tariffs on textile imports, and geopolitical disruptions across trade-intensive regions. Pricing power weakened, visibility remained constrained, and capacity utilization across the industry continued to be uneven.

In such an environment, many participants chose to wait for a recovery. At Sutlej, we chose instead to rethink the way we operated. We recognized that while cycles are inevitable, stagnation is not, and that downturns often provide the most compelling opportunity has to redefine direction.

### The anatomy of a turnaround

The evidence of our turnaround lies not in a single instance or number, but in the broadbased progression across the year.

Revenues reflected the volatility characteristics of the broader sector, moving from Rs. 598.49 crore in the first quarter of FY 2025-26 to Rs. 638.66 crore in the second quarter to Rs. 635.51 crore in the third and thereafter to Rs. 693.02 crore in the last quarter.

EBITDA showed a steady improvement across the year, moving from Rs. 5.03 crore in the first quarter of FY 2025-26 to Rs. 17.48 crore in the second quarter to Rs. 25.29 crore in the third and finally to Rs. 37.34 crore.

EBITDA margins increased steadily across the quarters from 0.84% in the first quarter of FY 2025-26 to 2.74% in the second quarter to 3.98% in the third and then to 5.39% in the last quarter.

By the second quarter the Company crossed an important additional threshold, delivering a positive post-interest surplus. This evolution was not episodic; it was engineered with intent. Importantly, this improvement was achieved in spite of the sectoral headwinds; our performance compared favorably with broader industry trends. The nature of this turnaround indicates that it is structural and capable of being sustained.

### Adversity as a unifier

What is particularly noteworthy is how the organization responded to adversity. In many instances, difficult external environments tend to create internal fragmentation. In our case, the opposite occurred. The challenges facing the sector generated a corresponding alignment within the Company.

There was a shared recognition across levels that legacy practices required re-evaluation, that incremental adjustments would be inadequate, and that transformation was necessary

and urgent. The external pressure sharpened our internal clarity. It brought the organization onto a common page, where change was not resisted but embraced, and where the cumulative impact of multiple transformation initiatives were understood to be capable of delivering a decisive shift in outcomes.

### How we strengthened resilience through disciplined execution

- Focused capital allocation
- Balance Sheet discipline
- Rigorous working capital management
- Portfolio value-addition and diversification
- Shift towards value-led growth
- Cost optimization
- Deepening customer engagement



### A shift in operating philosophy

The internal alignment that adversity created at our Company was anchored in a fundamental belief: that the business could be turned around even before the sector recovered, provided we chose to run it differently. This required a conscious departure from conventional thinking.

It meant moving away from a model driven primarily by volumes and commodity positioning, and embracing a framework centred on value, differentiation and disciplined execution. It was this shift that led to the formulation of a new and comprehensive business plan, approved by the Board, which now serves as the blueprint for the Company's transition into its next phase of growth.

### From intent to execution: The strategic business plan

The strategic business plan is not a statement of intent; it is a structured programme of action. It brings together time-bound initiatives, clearly defined responsibilities, and measurable outcomes, while ensuring that each step contributes to and reinforces the next.

This has provided the management with degree of clarity, not only regarding the trajectory of the coming quarters but also about

where the Company is likely to stand over the medium term. It has enabled the organization to move from reacting to circumstances to shaping its own direction.

### Recasting the quality of revenue

At the core of this transformation lies a decisive effort to enhance the quality of our revenues and profitability. The Company has begun a calibrated transition away from commoditized offerings towards value-added products that deliver structurally superior margins.

This represents more than a change in product mix; it reflects a redefinition of how value is created within the business. The next phase of this journey will involve our entry into technical textiles, a segment characterized by high entry barriers, strong realizations per kilogram, and resilience. This evolution is expected to improve not just our profitability but also the quality and sustainability of our cash flows.

### From scale to sharpened focus

Parallel to this, the Company has undertaken a structural reorganization through the creation of focused Strategic Business Units, encompassing yarn, fibre and home textiles. This reorientation has sharpened accountability and decision-making.

The outcomes are already visible in improved yarn realizations, stronger capacity utilization in the fibre segment, and home textiles moved close to break-even after a prolonged period. The organization is now better aligned to market realities, with each vertical operating with enhanced clarity.

### People as the engine of change

Transformation is driven by people. Recognizing this, the Company invested in developing a deep domain expertise within its teams, encouraging executives to evolve into specialists across products, geographies, and customer segments.

At the same time, a conscious effort has been made to build a robust succession pipeline by empowering mid-level managers with larger responsibilities. The introduction of an ESOP programme for the senior management has aligned individual aspirations with organizational objectives, creating a stronger sense of ownership and commitment.

An equally important enabler of this transition has been the integration of information systems. By dismantling traditional silos and establishing a unified data framework, the Company has created a single source of truth that supports decision-



making across levels. This has enhanced transparency, improved responsiveness, and enabled the organization to act with greater speed and precision in a dynamic environment.

### Sustainability as an imperative

Our commitment to sustainability has also assumed a more strategic dimension. During the year under review, the share of renewable energy in our overall energy mix accelerated.

This transition reflects a dual objective: to reduce our environmental footprint while simultaneously moderating long-term energy costs. Sustainability, in our view, is not a matter of compliance but an integral component of competitiveness.

Even in a challenging year, the Company maintained discipline in capital allocation. Maintenance capital expenditure of Rs. 67.85 crore was incurred during the year, with a higher outlay planned for the current year, focused on strategic investments with relatively short payback periods. The intent is to ensure that capital deployed translates into enhanced cash flows and improved margins within a defined timeframe.

### An inflection point in the journey

Sutlej today stands at an inflection point. The transformation underway is not superficial; it is embedded in the way the organization thinks, operates, and allocates resources.

The Company is moving from a reactive stance to a proactive one, from dependence on favorable cycles to building resilience, and from being a participant in the sector to becoming a differentiated performer.

While macroeconomic variables and sectoral trends will always remain beyond our direct control, our response to them is entirely within our domain. The visibility we possess today is derived not from external assumptions but from internal initiatives that are already underway.

Sustainable fibre is expected to account for a significantly larger proportion of our raw material mix, capacity utilization in the fibre business is expected to remain robust and improving cash flows are likely to contribute to a reduction in debt leading to enhanced margins.

These developments empower the Company to accelerate its turnaround ahead of any broad recovery in the textile sector. This ability to partially decouple

our performance from the cycle represents a defining sectorial shift. It enables the Company to remain resilient during downturns while being well placed to capitalize on upcycles when they emerge.

### Closing reflection: A turnaround in motion

Turnarounds are often recognized only in retrospect, once the numbers have confirmed what the people inside the organization already knew. At Sutlej, we are witnessing one as it unfolds - visible in the trajectory of our quarterly performance, in the coherence of our strategy, and in the conviction with which our people are executing it.

The year under review was not about arrival. It was about renewal. It marked the beginning of a more disciplined, more focused, and more confident phase in the Company's journey, one that I believe will be looked back upon as the period in which Sutlej chose, decisively, to redefine what it could become.

### CS Nopany

Executive Chairman

# Sutlej's culture as a competitive advantage

## Overview

In the Indian textile sector, scale alone does not define leadership. Capacity can be replicated, technology acquired, and markets can shift overnight. What endures is culture, the force that shapes ambition, sharpens competitiveness and sustains relevance across decades. At Sutlej, culture has remained the foundation of consistent outperformance.

## 2 A culture that moves before the market

- Sutlej's defining cultural trait is the willingness to evolve ahead of the market, not in response to it
- Sutlej moved proactively into value-added spaces (melange yarns, dyed yarns, specialty fibres, premium blended products and technical textiles)
- It pioneered specialty fibre blends - Modal, Micro Modal, Tencel, Bamboo, Coolmax, Thermolite, at commercial scale
- It entered green fibre manufacturing before sustainability became a mandatory sourcing criterion

## 4 Sustainability as organizational behaviour

- Increase in our renewable energy share
- 50% sustainable raw material sourcing target committed by 2030
- Maiden Sustainability Report published for FY 2024-25, a baseline for year-on-year accountability
- Green fibre plant converts post-consumer PET bottles into recycled polyester staple fibre (~70% fibre requirements sourced from within)

## 1 Legacy built around values

- Established in 1934, Sutlej drew from the institutional values of the Dr. K. K. Birla Group
- That inheritance went beyond manufacturing - a culture of integrity, governance, prudence, and long-term thinking
- Sutlej's governance is not a regulatory requirement but the cornerstone of business credibility
- This governance-led culture built lasting trust across customers, lenders, suppliers, and employees

## 3 Resource security as cultural conviction

- Integrated model from fibre to yarn to home textiles, each layer strengthens and compounds the next
- Green fibre plant services ~70% of the Company's polyester fibre requirements needs from within
- This insulates the yarn business from raw material price shocks that competitors must absorb externally
- Invested in power plant, which will result in increasing the share of green energy to meet the Company's energy needs

## 5 Financial prudence as cultural inheritance

- Controlled leverage even through a prolonged sectoral downturn
- Working capital managed with discipline
- Liquidity protected through market cycles
- Capital expenditure designed to deliver a short period payback
- Shift from volume-maximization to a margin-led, market-facing organization

## 6 Structure that creates accountability

- Strategic Business Plan approved by the Board - time-bound initiatives, defined responsibilities, measurable outcomes
- Four focused SBUs created
- Geo-leads and key account managers appointed
- ESOPs introduced for senior management

## 8 People as the engine of change

- Deep domain expertise built across products, geographies, and customer segments
- Built succession pipelines
- Information silos dismantled; unified data framework
- Faster, more transparent decision-making

## 10 Committed to modern technologies

- SAP S/4HANA integrated across procurement, production, finance, and commercial operations - a single, connected enterprise backbone
- IoT sensor deployment planned across manufacturing units, condition-based maintenance replacing time-based intervention
- 49% of plant and equipment is less than 10 years old

## 7 Punching above our weight

- A passionate organization, driven by the aspiration to remain differentiated and admired
- Market identity built around one proposition: if it is challenging, come to Sutlej
- Sutlej serves marquee global brands

## 9 Global mindset

- Positioned as global textile platform headquartered in India
- Exports to more than 60 countries (35% of revenue derived from exports, FY 2025-26)
- Enjoys long-standing global relationships with agents and distributors
- Global customers served across speciality yarn and home textiles

Review

# Our financial hygiene



## Overview

The year under review tested Balance Sheets as much as it tested business models. In a sector marked by pricing pressure, export disruptions and cautious demand, financial hygiene was not incidental, it was deliberate.

The Company responded with a calibrated approach. Working capital was tightly managed, reflected in disciplined receivables and a

conscious approach to inventory, even as operations remained stable. This was not a year to chase volumes at the cost of cash cycles. The increase in days was due to our exposure in exports (backed by L/C) and a drop in revenue.

On the liability side, the focus remained equally clear: contain leverage, preserve liquidity and retain financial flexibility. The presence of undrawn working capital lines provided an added

cushion, reinforcing the Company's ability to navigate uncertainty without compromising operational continuity.

What stands out is not just the numbers, but the intent behind them - a preference for prudence over aggression, and for sustainability over short-term expansion. In a difficult year for the sector, the Company chose to protect the Balance Sheet.

### Our consolidated debt (Rs. crore)

FY 23	FY 24	FY 25	FY 26
931.22	824.26	875.97	929.11

### Our receivables cycle (days of turnover)

FY 23	FY 24	FY 25	FY 26
40	48	49	54

### Our finished goods inventory cycle (days of turnover)

FY 23	FY 24	FY 25	FY 26
40	21	22	23



# How we are building resilience in a volatile environment

In a sector that rewards patience, Sutlej chose to reward itself with reinvention.

The global textile industry has moved through one of its most prolonged downturns in recent memory - compressed margins, demand volatility, inventory corrections, and geopolitical

disruptions have tested even the most established players. Many chose to wait. Sutlej chose differently.

Rather than managing decline, the Company engineered a deliberate

transformation, rebuilding competitiveness from within, ahead of any sectoral recovery. This reimagining is visible across every dimension of how Sutlej operates, competes, and creates value

**Focus:** Deepening our presence in niche and value-added segments, moving decisively away from commodity exposure



**Brand:** Strengthening our market identity around a single proposition, if it is challenging, come to Sutlej



**Futuristic:** Entering technical textiles and performance applications - segments built for decades, not cycles



**Financial controls:** Maintaining moderate leverage and prioritizing capital expenditure with clear, short payback periods



**Capital expenditure:** We will keep engaging in maintenance capital expenditure and capital expenditure with short paybacks



**Integration:** Deepening our platform from fibre to yarn to fabric, where each layer strengthens the next



**Sustainable:** Growing our renewable energy share thereby reducing both our environmental footprint and long-term costs



**SBUs:** Creating focused SBUs, appointing geo-leads and key account managers to build a genuinely market-facing organization



**Market-facing organization:** We appointed geo-leads and key account managers



**Leadership alignment:** Introducing ESOPs to link management incentives directly with long-term value creation



The result is a Company that looks meaningfully different from the one that entered this downturn - more focused, more integrated, and better equipped for a world that rewards differentiation. What follows is the evidence of that transformation, built into six dimensions of resilience.

### How we are reimagining our enterprise

#### Governance discipline

A Board-led, governance-first approach anchors decision-making

*Independent oversight remains strong, ensuring accountability and long-term strategic alignment*

#### Enduring customer partnerships

Built on consistency and delivery across cycles

*A large proportion of revenues continues to come from long-standing relationships, reflecting customer stickiness and trust*

#### Diversified global footprint

Broad-based presence across geographies

*Operations span 60+ countries, with no over-dependence on any single market, reducing concentration risk*

#### Integrated operating model

Backward integration into fibre strengthens control

*High internal sourcing of green fibre enhances cost stability, supply reliability, and margin resilience*

#### Operational agility

Aligned to demand, not just capacity

*Production and utilization decisions are increasingly driven by profitability and product mix rather than volume alone*

#### Portfolio diversification

Shift towards value-added and specialized segments

*Growing focus on synthetic, blended, and technical textiles is reducing dependence on commoditized categories*

Business **analysis**

# Our Yarn Business

Our Product Upgrade 1.0 is empowering us to rebuild this business around sustainable profitability

**Our scorecard**

## 2,399.41

Rs. crore, revenue from this business, FY 2025-26

## 93.42

%, of organizational revenue derived from this business, FY 2025-26

## 90.10

%, contribution of this business to EBITDA, FY 2025-26. Diversification underway, yarn remains the engine.



"Yarn is a no-brainer if moved to value-added. The structural shift has already begun within the organization, and it is something we intend to sustain."

### Sectoral overview

- Commodity oversupply from Southeast Asia is compressing margins at the bottom of the value chain.
- Modal, lyocell, tencel, and viscose are increasing their share for performance and sustainability.
- Manufacturers with genuine specialty capabilities in the finer-than-40s segment remain structurally advantaged.

### Strategic positioning

- Sutlej's Product Upgrade 1.0 will move a third of the portfolio into value-added segments within a year.
- The Yarn Development Centre will rapidly sample new varieties and run miniature production processes.
- The combination of modal, lyocell, tencel, coolmax, thermolite, fire-retardant, and mélange under one roof will prove customer-accretive.

## Overview

Yarn remains Sutej's largest business and the foundation of its textile franchise. During FY 2025-26, the business continued its transition from a volume-driven commodity spinner to a differentiated manufacturer of value-added, specialty and sustainable yarns. This strategic shift is aimed at

reducing exposure to commodity cycles, enhancing profitability and strengthening customer relevance in evolving global markets.

The transformation delivered encouraging results during the year, with gross margins improving by 200 basis points to 44%. This improvement was driven by Product Upgrade 1.0, a structured portfolio

optimization initiative focused on increasing the contribution of higher-value products. Building on this momentum, Product Upgrade 2.0 will further accelerate the Company's focus on specialty, sustainable and technical textile applications.

## Industry environment

The global yarn industry continues to face pressure from commodity oversupply and intense price competition, particularly in standard counts and conventional blends. In contrast, demand for specialty and regenerated fibres such as modal, lyocell, Tencel and viscose is growing steadily, supported by changing consumer preferences, sustainability requirements and evolving brand specifications.

India remains relatively underpenetrated in specialty yarn manufacturing, creating opportunities for companies with established technical capabilities, product breadth and manufacturing scale.

## Strategic initiatives

The Company established a dedicated Yarn Strategic Business Unit (SBU) during FY 2025-26 with clear profit accountability and customer-centric decision-making. Supported by geo-leads, product specialists and key account managers, the structure enhances responsiveness to

customer requirements and market opportunities.

The Company also expanded its geographic footprint by strengthening its presence in the Far East and Africa while increasing participation in industrial, fire-retardant and specialty yarn categories. These initiatives contributed to sequential quarter-on-quarter revenue growth throughout the year despite a challenging operating environment.

## Competitive strengths

Sutej operates approximately 4.11 lakh spindles across manufacturing facilities in Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat, providing scale, flexibility and supply-chain resilience.

The product portfolio spans counts from 8s to 50s across natural, synthetic and blended yarns, including specialty fibres such as modal, lyocell, tencel, bamboo, coolmax and thermolite. The Company is among India's leading producers of mélange yarn and one of the few manufacturers with commercial-scale capabilities in regenerated fibre yarns.

The Yarn Development Centre serves as an innovation hub for rapid product development, enabling faster commercialization of specialty, industrial and technical yarn solutions.

Backward integration through the green fibre facility supplies approximately 70% of internal recycled fibre requirements, strengthening cost competitiveness while supporting sustainable product development.

## Outlook

The Company's strategic priorities remain focused on increasing the contribution of value-added and sustainable products, expanding technical textile applications and leveraging opportunities arising from global sustainability trends and evolving trade agreements.

Supported by innovation, integration and a differentiated product portfolio, the yarn business is positioned to deliver sustainable margin expansion and long-term value creation.

## Operational highlights

Metric	FY 25	FY 26
Spinning capacity (lakh spindles)	4.16	4.11
Gross margin	42%	44%
Capacity utilization	92.16%	92.30%
Export market	34%	34%
Capital expenditure (Rs. crore)	54.51	58.92

"From legacy yarn to value-added yarn - it is not simply about what we sell, but the quality of what we sell. The journey from Product Upgrade 1.0 to 2.0 to 3.0 is already charted."

# Yarn Development Centre

## Where specification becomes product - at speed, at scale, in-house

- Positioned as the innovation engine of the Company
- Focus on making the yarn business more market-facing, margin-led and specification-driven
- Positioned to convert customer briefs, market signals and emerging specifications into commercially viable yarns
- More than a conventional R&D facility, a fully integrated innovation platform
- Focused on the development of specialty dyed yarns, automotive textile applications, fire-retardant variants and technical textile solutions at commercial speed

## Focus

- Desired improvement in yarn gross margins
- Focus on generating increased proportion of the business from value-added yarns
- Accelerated transition of commodity yarns into value-added variants
- Focus on generating additional realizations per unit for dyed specialty yarns
- Deepening expertise in blends and counts (8s to 50s) - across Modal, Lyocell, Tencel, Bamboo, Coolmax and Thermolite fibres

## From commodity to capability

### Then

Volume-led manufacturing

Commodity yarn focus

Raw white yarn dependence

Price competition

Supply-driven production

### Now

▶ Margin-led specialization

▶ Specialty & technical yarns

▶ Dyed & value-added capability

▶ Specification-driven differentiation

▶ Demand-led innovation



### What YDC enables

Faster customer sampling

In-house miniature production runs

Speciality fibre development

Technical textile prototyping

Dyed yarn innovation

Sustainability-led products

Automotive textile applications

Rapid market pivots

Business **analysis**

# Our Home Textile Business

We are building this business around design leadership, customer intimacy, and downstream value capture

## Our scorecard

# 169.08

Rs. crore, revenue from business, FY 2025-26

# 5.28

% growth in revenues, FY 2025-26

# 9.90

%, of organizational EBITDA derived from this business, FY 2025-26



### Sectoral overview

- Competitive pressures are moving the sector towards design-led manufacture.
- Retailers are shifting to finished products, prioritizing the need for integration.
- A ~23% global cotton share provides India a cost and traceability advantage.

### Strategic positioning

- The Company has strengthened this business around customization and exclusivity.
- The Company has widened product access to 625+ retail stores.
- The Company is extending from residential furnishings to commercial applications.

## Overview

Home Textiles represents Sutlej's most visible consumer-facing business and an important pillar of its diversification strategy. Following a multi-year restructuring

programme, the business has evolved from a volume-led, loss-making operation into a differentiated platform focused on design-intensive and value-added home furnishing products.

The business now benefits from improved order visibility, stronger customer relationships and a more resilient product mix despite global trade uncertainties.

## Strategic transformation

Over the last two years, the Company consciously exited lower-margin commodity categories and repositioned its portfolio towards premium decorative fabrics, custom upholstery and design-exclusive home furnishing solutions.

Customer engagement has evolved from transactional selling to long-term partnerships centred on collaborative product development, seasonal design programmes and forward planning. This has improved customer retention, pricing resilience and revenue visibility.

Manufacturing operations have been redesigned around modular production systems and just-in-time delivery models, improving flexibility, reducing inventory costs and strengthening responsiveness to customer requirements.

## Industry environment

The global home textiles market continues to benefit from rising

consumer spending on home décor, increasing urbanization and growing investments in hospitality and commercial infrastructure.

Demand is increasingly shifting toward premium, design-led and customized products, creating opportunities for manufacturers with strong design capabilities, product innovation and customer intimacy. The growing preference for finished products and made-ups is further expanding the addressable market.

## Performance and positioning

FY 2025-26 marked an important milestone in the business's turnaround journey. The Company prioritized revenue quality over scale by focusing on higher-margin

segments and strengthening customer relationships.

Improved order visibility, stronger customer engagement and a differentiated product mix contributed to a more sustainable operating model and laid the foundation for future growth.

Overall, FY 2025-26 established a foundation, with the business transitioning from a volume-driven model to a value-led framework. The progression from FY 2023-24 to FY 2025-26 reflected a shift from scale without returns, through transition, to early signs of operating recovery. The priority for FY 2026-27 is to convert this directional improvement into sustained margin expansion while scaling a structurally stronger revenue base.

Metric	FY 25	FY 26
Segment revenue (Rs. crore)	161	169
Segment EBIT (Rs. crore)	-20	-7

## Competitive strengths

The Company's manufacturing facility at Bhilad, Gujarat, combines flexible production capabilities with integrated yarn sourcing and sustainability-linked raw material advantages.

The portfolio spans curtains, upholstery and made-ups, with increasing emphasis on higher-value finished products. The Nesterra brand continues to strengthen its presence among architects, interior designers and premium retail customers while expanding distribution across India.

Long-standing export relationships across the United States, the United

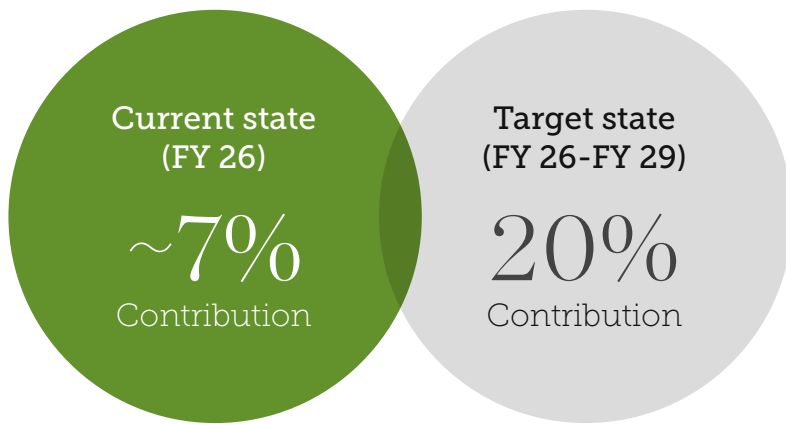
Kingdom and Europe further support growth opportunities in global markets.

## Outlook

The business remains focused on capacity optimization, expansion of the made-ups category, deeper penetration of hospitality and institutional segments and wider distribution of the Nesterra brand.

Over the medium term, Home Textiles is expected to become a larger contributor to Company revenues while maintaining its emphasis on differentiated products, premium positioning and margin-led growth.

"The home textile business is the clearest proof of what the integrated Sutlej platform can deliver. From fibre to fabric to brand - the entire chain is ours."



### Strategic levers



### Performance snapshot

Metric	FY 25	FY 26
Home textile capacity (million metres / per annum)	7.20	7.20
Capacity utilization	37%	36%
Segment revenue (Rs. crore)	160.60	169.08
Share of total revenue	6.07%	6.58%
Nesterra active retail stores	625	625
Export markets served (Rs. crore)	65.66	74.15
Capital expenditure (Rs. crore)	2.32	2.60

**“This is not just a business that makes fabrics. It is a design studio backed by manufacturing muscle. The customers come for the pattern; they stay for the reliability.”**

Sutlej’s response is not to compete on lead time, where Turkey enjoys an inherent advantage, but on design exclusivity and technical capability, where geography is irrelevant and where relationships, once established, compound over time.

Business **analysis**

# Our Sustainable Green Fibre Business

## Our scorecard

## 120

MT/day installed capacity

## 110.33

%, Capacity utilization (Actual output against 120 MT /day rated capacity)

## 70

%, internal fibre supply coverage



## 398.55

Rs. crore, revenue from this business, FY 2025-26 (Gross Revenue inclusive of captive transfers)

## 13.42

%, of organizational revenue derived from this business, FY 2025-26

### Sectoral overview

- Free trade agreements and carbon-linked regulations are creating preferential access for recycled and low-carbon textile products in key export markets.
- The textile value chain is structurally shifting from make-use-dispose to closed-loop systems, with recycled fibres becoming integral to mainstream production.
- Buyers are prioritizing suppliers who can provide verifiable data on origin, processing, and environmental impact (traceability).

### Strategic positioning

- The business has evolved from a sustainability-led investment into a core input platform that stabilizes margins.
- The green fibre operation underpins higher-margin opportunities in technical textiles and specialty yarns.
- Built on a closed-loop model, from PET waste to fibre to yarn, the business provides cost visibility, supply security and traceable recycled content.

## Overview

The Green Fibre business has evolved from a sustainability-led investment into a strategic platform that strengthens integration, enhances margin stability and

supports the Company's long-term sustainability agenda.

Commissioned in 2021, the facility has reached operational maturity and now plays a central role in

Sutlej's circular economy strategy, supplying recycled polyester staple fibre for both captive consumption and value-added downstream applications.

When polyester and cotton price pressures squeezed stand-alone yarn producers, Sutlej's backward integration absorbed shocks that competitors could neither deflect nor avoid. The fibre business is not merely supplying yarn - it is providing structural stability that stand-alone operations cannot replicate.

## Industry environment

Global demand for recycled polyester fibre continues to grow, supported by regulatory mandates, brand sustainability commitments and increasing consumer awareness.

Across key export markets, recycled content, traceability and environmental disclosures are becoming critical procurement requirements. At the same time, India's evolving Extended Producer Responsibility (EPR) framework is expected to improve feedstock availability and strengthen the recycling ecosystem.

## Strategic positioning

The Green Fibre business is built on a closed-loop model that converts post-consumer PET waste into recycled polyester staple fibre for use across the Company's spinning operations.

This integration reduces dependence on external fibre procurement, improves cost visibility and enables traceable recycled-content offerings increasingly demanded by global customers.

The facility also supports the Company's technical textiles strategy by providing sustainable raw materials for emerging performance and industrial applications.

## Competitive strengths

The Baddi facility operates at a capacity of 120 metric tonnes per day and produces multiple fibre variants, including raw white, black and dope-dyed recycled polyester.

Approximately 70% of internal recycled fibre requirements are met through captive production, providing supply security and greater resilience against raw material volatility.

The Company has strengthened its sustainability architecture through Digital Product Passports, Life Cycle Assessment frameworks and traceability systems that support compliance with evolving customer and regulatory expectations.

## Performance

FY 2025-26 marked a year of operational maturity, characterized by improved utilization, growing captive consumption and increasing integration across business segments.

The business contributed to margin stability across the yarn portfolio while strengthening the Company's sustainability proposition in domestic and export markets. Investments in traceability, sustainability reporting and renewable energy further enhanced the competitiveness of the platform.

## Outlook

Growth will be driven by higher-value recycled fibre grades, expanded sustainability documentation capabilities

and deeper integration with specialty yarn and technical textile applications.

The Green Fibre business will remain central to the Company's commitment to achieve 50% sustainable raw material sourcing by 2030 and is expected to play an increasingly important role in long-term value creation.

## Our 2030 commitment

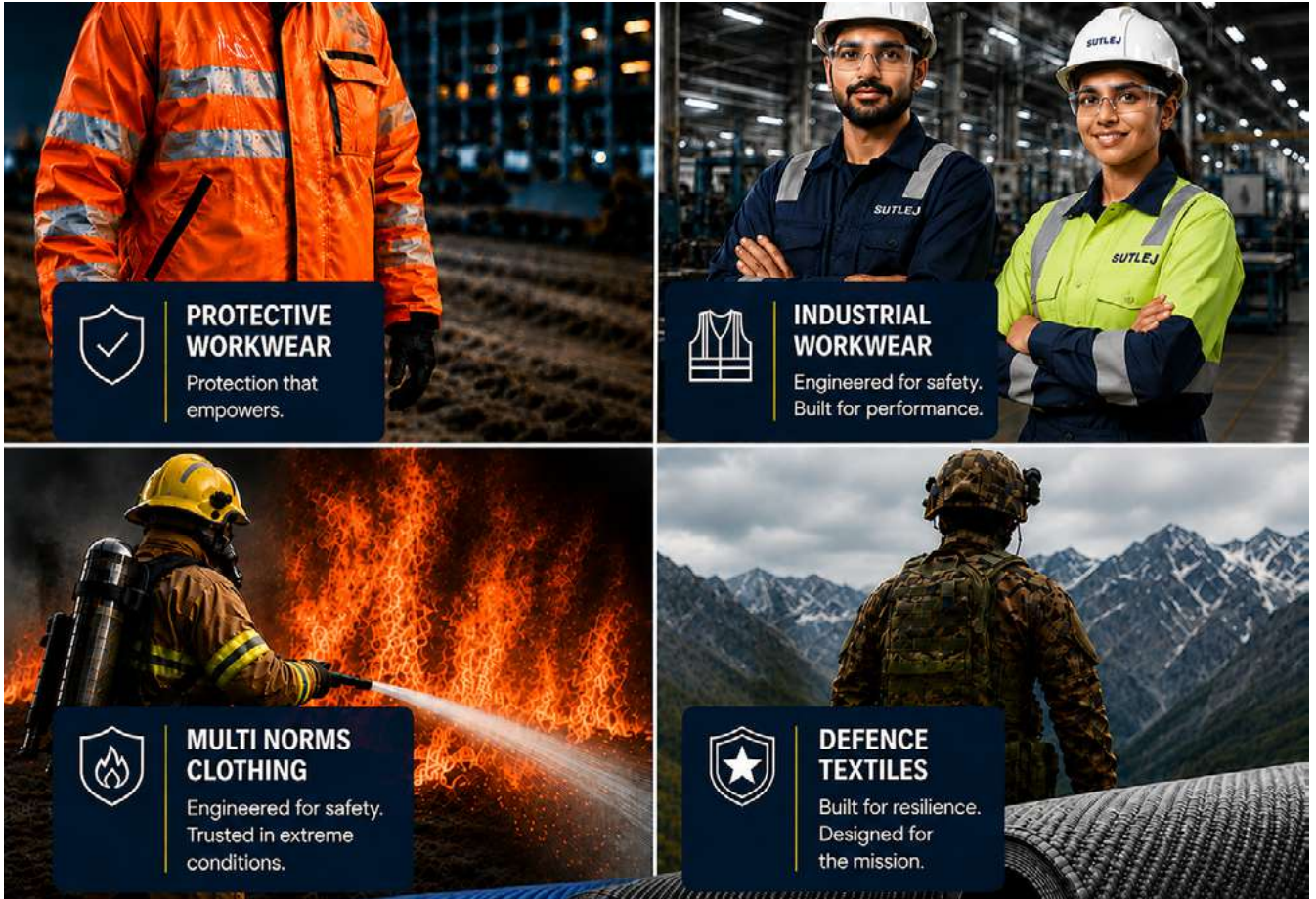
The Company has committed to a 50% sustainable raw material sourcing target across the broader yarn business by 2030. This commitment is not a communications gesture - it is a medium-term operational and capital allocation anchor that places the green fibre plant at the centre of the Company's strategy rather than at its periphery. The investments being made in FY 2026-27 and beyond are being made with that commitment in mind: as capacity, quality, and documentation capability expand, the green fibre business will progressively close the gap between current sustainable sourcing levels and the 2030 target.

The overall capital expenditure for the green fibre business in FY 2025-26 stood at approximately Rs. 6.34 crore. The Company plans to double capital expenditure in FY 2026-27 - a commitment that reflects confidence not merely in the current performance of the green fibre business, but in the trajectory of the structural forces that are working in its favour. Capital committed at this stage, when the regulatory tailwind is building rather than fully mature, is capital that will secure capacity and capability ahead of the curve rather than in response to it.

Business analysis

# Our entry into the technical textiles business

These engineering fibres promise to build, protect, and sustain a modern India



**PROTECTIVE WORKWEAR**

Protection that empowers.



**INDUSTRIAL WORKWEAR**

Engineered for safety. Built for performance.



**MULTI NORMS CLOTHING**

Engineered for safety. Trusted in extreme conditions.



**DEFENCE TEXTILES**

Built for resilience. Designed for the mission.

Sutlej's Protech entry: Engineered for margin, built on existing capability, the Company is entering technical textiles not as a diversification bet, but as a deliberate extension of its existing yarn, fibre, and sustainability platform.

**Sectoral overview**

**Functional textiles:** Growth driven by customized applications like geotextiles, meditech, agrotexiles, and mobiltech - including apparel.

**Compliance as a moat:** Certifications, traceability, and sustainability norms create high entry barriers.

**Circularity focus:** Demand rising for recyclable, bio-based, and closed-loop textile solutions.

**Our proposed entry**

- Technical textiles represent a pathway for Sutlej to graduate to a margin-led, differentiated manufacturer.
- The vertical is being built around a dedicated leadership team with domain experience, existing manufacturing base, and green fibre resource base.

## Overview

Technical textiles represent the next phase of Sutlej's transformation towards a differentiated, innovation-led and margin-focused business model. Unlike conventional textiles, technical textiles are engineered

for functionality and performance, serving applications across infrastructure, mobility, healthcare, defence, agriculture, industry and environmental management.

As demand increasingly shifts from commodity products to specialized

solutions, technical textiles provide an attractive pathway for sustainable growth, stronger margins and reduced exposure to traditional textile cycles.

## Industry opportunity

Technical textiles are among the fastest-growing segments of the global textile industry, supported by structural demand drivers and favourable policy support.

Growth is being driven by expanding infrastructure investments, rising healthcare expenditure, increasing safety and compliance requirements, growing sustainability expectations and the rapid adoption of advanced materials across industries.

Compared with conventional textiles, technical textiles typically offer higher realizations, stronger customer stickiness and greater entry barriers arising from certification requirements, qualification timelines and technical expertise.

Government initiatives such as the National Technical Textiles Mission further support industry development through research, innovation and market creation.

## Strategic rationale

Sutlej's entry into technical textiles represents a natural extension of its existing strengths rather than a diversification into an unrelated segment.

The Company already possesses significant capabilities in specialty yarns, synthetic and blended fibre processing, product development and sustainable raw material sourcing. These capabilities provide a foundation for its participation in technical and performance textile applications.

The Green Fibre facility adds a further competitive advantage by enabling the use of traceable and

recycled raw materials, increasingly required across global technical textile supply chains.

## The protech platform

To drive this opportunity, the Company has established a dedicated Protech vertical under experienced leadership with responsibility for strategy, business development, product innovation and customer acquisition.

The platform will focus initially on higher-potential segments including industrial textiles, protective clothing, fire-retardant applications and performance-based textile solutions.

A dedicated organizational structure, supported by clear accountability and focused market development, is expected to accelerate capability building and commercialization.

## Competitive advantages

Sutlej enters the segment with several structural advantages:

- Approximately 4.11 lakh spindles capable of supporting technical-grade yarn production.
- Established expertise in specialty fibres including modal, lyocell, coolmax, tencel and performance blends.
- Integrated recycled fibre capability through the Green Fibre facility.
- Product development infrastructure through the Yarn Development Centre.
- Established export relationships across more than 60 countries.
- Strong sustainability and traceability credentials supported by Digital Product Passports

and Life Cycle Assessment frameworks.

These strengths reduce entry risk and provide a platform for faster scale-up compared to new entrants.

## Growth opportunities

The initial focus areas include protective textiles, industrial applications and performance yarns where customer requirements align closely with the Company's existing capabilities.

Over time, the Company intends to expand into broader technical textile categories including Mobiltech, Meditech, Geotech, Agrotech and other specialized applications supported by customer demand, regulatory requirements and product qualification processes.

India's trade agreements with the United Kingdom and Europe are expected to further strengthen export opportunities for value-added and technical textile products.

## Outlook

Technical textiles are emerging as one of the most attractive growth segments within the textile industry, supported by higher value addition, strong entry barriers and favourable market dynamics. Backed by dedicated capabilities, sustainable raw material resources and a focused growth strategy, the Protech platform is expected to play an increasingly important role in enhancing Sutlej's revenue mix, profitability and long-term competitive positioning.

Information technology  
and digital transformation

# Digital Transformation



## Overview

At Sutlej, digitalization is a strategic enabler of operational excellence, customer responsiveness and long-term competitiveness. During FY 2025-26, the Company progressed from foundational digital deployment to enterprise-wide integration, embedding technology across manufacturing, commercial operations and governance processes.

Digital tools are now increasingly integrated into daily decision-making, enhancing productivity, visibility, process discipline and organizational agility. The result is a faster, leaner and more data-driven enterprise.

## Strategic approach

The Company's digital transformation agenda is anchored around five priorities:

### Industry 4.0 and automation

Technology-enabled planning, production monitoring and workflow automation strengthened operational efficiency across manufacturing locations. Real-time production visibility supported near-full utilization at the Green Fibre facility, while automated reporting and reconciliation processes reduced manual effort and improved productivity.

### Process digitalization

The SAP S/4HANA platform was further integrated across procurement, production planning, order management, costing and finance. New pre-order costing

capabilities strengthened margin-focused decision-making, while enterprise-wide deployment of Microsoft O365 and Active Directory standardized collaboration, security and access management.

### Analytics and business intelligence

Enhanced sales analytics and integrated dashboards improved visibility across geographies, customers and product categories. Real-time performance monitoring strengthened planning discipline, improved inventory management and supported the Company's demand-led manufacturing approach.

### Cybersecurity and data governance

The Company strengthened cybersecurity through enhanced

monitoring, improved backup and recovery protocols, and stronger identity and access management controls. Data governance frameworks were also enhanced to improve data consistency, reliability and decision-making effectiveness.

### Digital capability building

Technology deployment was supported by structured training programmes across business functions. The development of in-house digital solutions further demonstrated the Company's growing digital capabilities and commitment to fostering a technology-enabled culture.

## Key achievements during FY 2025-26

The Company's digital investments delivered measurable operational benefits across the enterprise:

### Microsoft O365 Migration

The Company successfully migrated from Google Workspace to Microsoft O365, creating a unified enterprise collaboration platform across all manufacturing and commercial locations.

The transition strengthened cybersecurity, improved compliance management, enhanced employee productivity and established a scalable foundation for future digital initiatives.

### Sutlej BidNow Platform

To improve efficiency and reduce dependence on third-party service providers, the Company developed and deployed "Sutlej BidNow", its proprietary digital auction platform.

The platform improved process transparency, enhanced control over auction workflows and eliminated recurring external platform costs. More importantly, it demonstrated the Company's ability to build business-critical digital solutions using internal capabilities.

### Technology Ecosystem

The Company's digital infrastructure is built on an integrated technology architecture comprising:

- SAP S/4HANA for enterprise-wide operational management.
- Microsoft O365 for collaboration, productivity and security.
- Business Intelligence Dashboards for real-time reporting and analytics.
- Cybersecurity Solutions for monitoring, governance and risk management.
- Sutlej BidNow for digital auction management.
- Active Directory for identity and access management.
- Cloud and Data Centre Infrastructure supporting

scalability, business continuity and disaster recovery.

### Competitive benefits

The Company's digital transformation programme is delivering operational and strategic advantages:

- Faster and more informed decision-making.
- Improved visibility across manufacturing and commercial operations.
- Enhanced customer responsiveness and service levels.
- Greater process standardization and control.
- Reduced operating costs and manual dependencies.
- Stronger governance, compliance, and cybersecurity resilience.

Most importantly, digitalization is helping create a culture that increasingly relies on data, automation and continuous improvement to drive performance.

### Technology roadmap, FY 2026-27

The next phase of Sutlej's digital journey will focus on deepening intelligence, connectivity and predictive capabilities across the enterprise. Key priorities include:

#### Advanced analytics and predictive intelligence

The Company will expand SAP-enabled analytics to support demand forecasting, inventory optimization and operational risk management. Dashboards will increasingly evolve from reporting tools into decision-support platforms.

#### Smart manufacturing and IoT

Deployment of IoT-enabled monitoring solutions across manufacturing facilities will provide machine-level visibility into performance, energy consumption and quality parameters. The objective is to enable predictive maintenance and further improve operational efficiency.

#### Cybersecurity enhancement

The Company will strengthen its cybersecurity architecture through advanced threat detection capabilities, formalized security governance structures and enhanced cyber-risk management frameworks.

#### Cloud and infrastructure optimization

Investments will continue in scalable cloud infrastructure, business continuity systems and disaster recovery capabilities to support future growth and digital expansion.

#### Digital capability development

A structured enterprise-wide digital capability programme will strengthen employee proficiency in analytics, automation and digital technologies, ensuring that technology adoption continues to deliver sustainable business value.

### Outlook

Digital transformation at Sutlej is not a standalone initiative but an integral part of the Company's long-term strategy. Having established a strong digital foundation, the focus now shifts towards extracting

'Digital transformation at Sutlej is not a programme with a start and an end date. It is a permanent shift in how we build, manage, and grow our business, bringing us closer to customers, making us faster to market, and making every part of the enterprise smarter'

greater competitive advantage through intelligent automation, predictive analytics and connected manufacturing.

As the Company continues to expand its digital capabilities, technology will play an increasingly important role in enhancing operational excellence, strengthening customer engagement and supporting sustainable growth across all business segments.

Building a **sustainable textile platform**



# Environment, Social and Governance (ESG)

The transition towards renewable energy, traceable products and responsible manufacturing is strengthening Sutlej's position in a sustainability-led textile economy

## Overview

Sustainability is becoming a defining factor in the global textile industry, with customers, regulators and investors increasingly expecting responsible sourcing, traceability, carbon transparency and ethical manufacturing practices. For Sutlej, these are not peripheral considerations but material business priorities.

The Company views ESG as integral to long-term competitiveness and resilience. Investments in renewable

energy, sustainable raw materials, water efficiency, responsible manufacturing and governance practices are helping build a more sustainable and future-ready enterprise.

During FY 2025-26, Sutlej strengthened its ESG framework through accelerated renewable energy adoption, circular economy initiatives, implementation of traceability infrastructure and publication of its maiden Sustainability Report.

## Environmental stewardship

### Energy and climate

Energy remains one of the most material environmental dimensions for the Company, given the energy-intensive nature of spinning, dyeing and yarn processing operations. During FY 2025-26, Sutlej accelerated its renewable energy transition.

The Company also continued investing in energy efficiency measures across manufacturing operations, including variable frequency drives, waste heat recovery systems, LED lighting and equipment-level energy monitoring.

As a result of these interventions, the Company achieved estimated energy savings of approximately 11,023 kWh per day, translating into annual energy savings of over 4.01 million kWh. These initiatives

also contributed to the avoidance of approximately 3,009 tCO<sub>2</sub>e emissions annually, supporting the Company's efforts towards reducing its environmental footprint while improving operational efficiency.

### Greenhouse gas emissions

Sutlej is strengthening its greenhouse gas emissions measurement and disclosure framework across manufacturing facilities. Scope 1 and Scope 2 emissions are being tracked systematically, while Scope 3 value chain emissions assessment is being developed.

The increasing share of renewable energy is expected to progressively reduce the carbon intensity of operations and strengthen the Company's positioning in export markets where low-carbon sourcing is becoming increasingly important.

### Water and waste management

Water management remains a key operational priority across dyeing, washing, cooling and steam generation processes. The Company operates effluent treatment infrastructure aligned with applicable zero liquid discharge requirements and continues to recycle treated water wherever technically feasible.

The Company also follows a structured waste management hierarchy focused on reduction, reuse, recycling, recovery and responsible disposal. Production waste from spinning operations is recycled internally or channeled to secondary markets, while hazardous waste is managed through authorized handlers in compliance with regulatory norms.

## Circular economy and sustainable materials

### Green fibre platform

The Company's circular economy strategy is anchored in its Green Fibre facility at Baddi, Himachal Pradesh, which converts post-consumer PET bottles into recycled polyester staple fibre (RPSF) at an installed capacity of 120 MT per day.

The plant operates as a closed-loop system, enabling the conversion of PET waste into fibre, yarn and downstream textile products. Approximately 70% of the Company's polyester fibre requirements are now met internally.

The platform delivers four key benefits simultaneously:

- Improved cost stability by reducing exposure to virgin polyester price volatility.

- Lower environmental impact through diversion of PET waste from landfill and reduced dependence on virgin petrochemical inputs.
- Commercial differentiation through certified recycled-content offerings for sustainability-conscious customers.
- Enhanced raw material security and quality assurance supporting consistent availability of quality feedstock, improved traceability and greater resilience against supply chain disruptions.

### Digital product passport and life cycle assessment

Recognizing the growing importance of supply chain transparency and sustainability disclosures, the Company continued to invest in digital traceability solutions during FY 2025-26.

During the year, Sutlej successfully launched Digital Product Passports (DPPs) for 75 product categories, supported by gate-to-gate Life Cycle Assessments (LCAs). These digital passports provide product-level information relating to raw material composition, manufacturing processes, environmental impacts and sustainability credentials, enabling greater transparency for customers and value chain partners.

These initiatives are expected to support compliance with emerging international regulations, particularly in the European Union, while enhancing transparency for customers seeking verified sustainability credentials.

# Social responsibility and community engagement



Strong governance, transparent disclosure and proactive risk management are helping build a more resilient and future-ready enterprise.

## Overview

Sutlej's social responsibility extends beyond statutory CSR expenditure to long-term engagement with employees, communities and supply chain stakeholders. The Company's manufacturing facilities are located in semi-urban and semi-rural regions, making community development and workforce well-being closely linked to operational sustainability.

## CSR governance

CSR activities are overseen by the CSR Committee of the Board and implemented in accordance with Schedule VII of the Companies Act, 2013, and the Company's CSR Policy. The primary focus areas include education, healthcare and sanitation, promotion of sports, rural and social welfare amongst others.

## Education and skill development

The Company supports educational infrastructure, vocational training initiatives in communities around its manufacturing locations. Skill development programmes aligned with national frameworks are helping create a local talent pipeline for the textile sector.

## Healthcare and sanitation

Sutlej supports healthcare access through sanitation initiatives and support for local health infrastructure. These programmes benefit the surrounding communities.

## Supply chain responsibility

The Company's social responsibility extends into its supply chain through engagement with Better Cotton and Cotton Made in Africa programmes. Supplier qualification processes include social compliance screening, and certification frameworks support responsible labour and sourcing practices across the value chain.

## Governance and ethical business practices

Strong governance remains central to Sutlej's ESG framework. The Company continues to strengthen:

- Board-level oversight of sustainability and risk management.
- ESG reporting and disclosure practices.
- Data governance and transparency systems.
- Compliance, ethics and accountability mechanisms across operations and supply chains.

## Employee welfare and inclusion

### Occupational health and safety

All manufacturing locations maintain ISO 45001:2018 certification for Occupational Health and Safety Management Systems. The Company follows structured EHS practices, including safety audits, risk assessments, emergency response training and periodic health check-ups.

### Employee development

During FY 2025-26, the Company strengthened employee engagement and leadership development through:

- High potential development programmes.

The integration of ESG considerations into strategic planning, capital allocation and operational management reflects the Company's commitment to responsible and sustainable business practices.

## Sustainability risk management

Sustainability-related risks and opportunities are increasingly influencing business performance, stakeholder expectations and long-term value creation within the textile industry. Sutlej recognizes that environmental, social and governance (ESG) factors have the potential to impact operations, supply chains, market access, regulatory compliance and reputation. Accordingly, sustainability considerations are integrated into the Company's enterprise risk management framework.

The Company adopts a structured approach to identifying, assessing

- Introduction of an Employee Stock Option Plan (ESOP) for senior management.

- Recognition programmes for performance and innovation.
- Enhanced commercial capability through organizational restructuring and specialized leadership roles.

### Inclusion and diversity

Sutlej promotes equal opportunity employment across gender, caste and religion, while maintaining SA 8000:2014 social accountability certification. The certification framework supports fair wages, safe working conditions, non-discrimination and responsible labour practices.

and managing sustainability-related risks across its operations and value chain. Material ESG risks are periodically reviewed and evaluated based on their potential business impact, likelihood of occurrence and stakeholder relevance.

Oversight of sustainability risks is exercised by the Board of Directors through the Risk Management Committee and supported by the senior management team. Sustainability-related matters are incorporated into strategic planning, capital investment decisions and operational improvement initiatives to strengthen long-term resilience.

The Company believes that proactive management of sustainability-related risks not only safeguards business continuity but also creates opportunities for innovation, operational efficiency and long-term stakeholder value creation.

## Outlook

The global textile industry continues to undergo significant transformation driven by evolving customer preferences, sustainability expectations, digitalization, supply chain transparency requirements and emerging regulatory frameworks. As brands and consumers increasingly seek responsible, traceable and resource-efficient products, sustainability is expected to remain a key driver of long-term competitiveness and value creation.

Against this backdrop, Sutlej remains focused on strengthening its position as a diversified and sustainable textile manufacturer. The Company will continue to pursue growth opportunities across its yarn, home textile and recycled fibre businesses while maintaining a disciplined approach towards operational efficiency, innovation and risk management.

A key strategic priority for the Company is the progressive integration of sustainability across its value chain. Building on the progress achieved during FY 2025-26, Sutlej will continue to expand the use of sustainable raw materials, enhance renewable energy adoption and improve resource efficiency across its manufacturing operations.

The Company also intends to further strengthen product

transparency and traceability capabilities. Following the successful launch of Digital Product Passports for 75 product categories supported by gate-to-gate Life Cycle Assessments, efforts will continue towards expanding environmental data availability and strengthening customer-facing sustainability disclosures.

The Company also remains focused on strengthening governance systems, responsible sourcing practices and sustainability risk management frameworks to address emerging stakeholder expectations and evolving regulatory requirements in domestic and international markets.

Supported by its integrated manufacturing capabilities, strong customer relationships, growing portfolio of sustainable products and commitment to responsible business practices, Sutlej believes it is well positioned to navigate industry challenges and create long-term value for shareholders, customers, employees and communities.

As the industry transitions towards a more sustainable and transparent future, the Company remains committed to balancing growth, operational excellence and environmental stewardship while contributing positively to the broader textile value chain.

# Corporate Information

## Board of Directors

Mr. C. S. Nopany - Executive Chairman  
 Ms. Sonu Bhasin (till 06<sup>th</sup> May, 2025)  
 Mr. Rohit Dhoot  
 Mr. Ashok Mittal  
 Mr. Sameer Kaji  
 Ms. Deepa Kapoor  
 Mr. Alok Ohrie (w.e.f. 05<sup>th</sup> May, 2026)  
 Mr. Arhant Nopany  
 Mr. Ashishkumar Srivastava

## Executives

### Corporate office

Mr. Ashishkumar Srivastava - Chief Executive Officer  
 Mr. Sachin J. Karwa - Chief Financial Officer  
 (w.e.f. 11<sup>th</sup> June, 2025)  
 Mr. Manoj Contractor - Company Secretary &  
 Compliance Officer

## Unit Heads

Mr. U. K. Pattnaik - Executive President

### Chenab & Birla Textile Mills

Mr. Rohit Arora - Executive President

### Rajasthan Textiles Mills & Sutlej Green Fibre

Mr. Chandrashekhar Thete - Sr. Vice President (Works)

### Damanganga Units

## Auditors

M/s. BSR & Co., LLP  
 Chartered Accountants  
 Building No. 10, 8<sup>th</sup> Floor, Tower - B  
 DLF Cyber City, Phase - II  
 Gurgaon - 122 002

## Registrar & Transfer Agent

MUFG Intime India Pvt. Ltd.  
 C-101, Embassy 247,  
 L.B.S. Marg, Vikhroli (West)  
 Mumbai 400 083  
 Tel. +91 8108116767; Fax (022) 4918 6060  
 Email id: investor.helpdesk@in.mprms.mufg.com

## Bankers

ICICI Bank Limited  
 The Jammu & Kashmir Bank Limited  
 HDFC Bank Limited  
 IndusInd Bank Limited  
 Punjab National Bank  
 Axis Bank Limited  
 DCB Bank Limited  
 Federal Bank Limited

## Registered Office

Pachpahar Road  
 Bhawanimandi 326 502  
 Rajasthan

## Manufacturing Units

### Rajasthan Textile Mills

Bhawanimandi 326 502  
 Rajasthan

### Chenab Textile Mills

Kathua 184 102  
 Jammu & Kashmir

### Birla Textile Mills

Baddi 173 205  
 Himachal Pradesh

### Damanganga Units

1) Home Textiles  
 2) Processing  
 Village - Daheli  
 Near Bhilad 396 105, Gujarat

### Sutlej Green Fibre

Baddi 173 205  
 Himachal Pradesh

## Financial Highlights (Standalone)

(Rs. in crore)

Particulars	2025-26	2024-25	2023-24	2022-23	2021-22
Revenue from Operations	2,565.68	2,642.36	2,671.72	3,039.17	3,041.98
Total Income	2,584.64	2,664.97	2,695.95	3,063.89	3,072.25
Earnings Before Depreciation Impairment, Finance Cost and Taxes (EBDIT)	85.14	68.18	-5.25	289.06	417.62
Depreciation, Impairment and Amortization	107.86	109.80	115.33	125.41	120.03
Profit before Tax and Exceptional Items	-88.51	-103.1	-183.73	107.02	248.87
Exceptional Items	22.51	22.70	18.96	56.00	7.81
Profit before Tax	-111.02	-125.80	-202.69	51.02	241.06
Profit after Tax	-79.85	-84.20	-134.61	22.84	155.68
Equity Dividend (%)	0	0	0	100	185
Dividend Payout	0	0	0	16.38	30.31
Equity Share capital	16.38	16.38	16.38	16.38	16.38
Reserves and Surplus	803.59	877.71	959.87	1,107.32	1,113.80
Net worth	819.97	894.09	976.25	1,123.7	1,130.18
Gross Fixed Assets	2,621.44	2,567.92	2,538.85	2,497.29	2,481.68
Net Fixed Assets	969.50	1,010.33	1,062.34	1,120.17	1,187.13
Total Assets	2,052.44	2,043.35	2,097.12	2,420.77	2,442.49
Market Capitalization	396.14	547.02	825.70	664.33	1,165.64
Capital Employed	1,749.66	1,771.18	1,801.92	2,056.28	2,066.67

## Key Indicators

Particulars	2025-26	2024-25	2023-24	2022-23	2021-22
Earnings Per Share (Rs.)	-4.87	-5.14	-8.22	1.39	9.50
Book Value per Share (Rs.)	50.06	54.57	59.59	68.59	68.99
Debt Equity Ratio	1.12:1	0.97:1	0.84:1	0.82:1	0.82:1
EBDIT / Gross Turnover (%)	3.32	2.58	-0.20	9.51	13.73
Net Profit Margin (%)	-3.11	-3.19	-5.04	0.75	5.12
Return on Net worth (%)	-9.74	-9.42	-13.79	2.03	13.77
Return (PBDIT) to Capital Employed (%)	4.87	3.85	-0.29	14.07	20.21

# Directors' Report

To  
The members,  
**SUTLEJ TEXTILES AND INDUSTRIES LIMITED**

Your Directors are pleased to present the Twenty-First Annual Report, together with the audited financial statements of your Company for the year ended 31<sup>st</sup> March, 2026.

## 1. FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with The Companies (Accounts) Rules, 2014. The financial statements for the financial year ended 31<sup>st</sup> March, 2026 as well as comparative figures for the year ended 31<sup>st</sup> March, 2025 are Ind AS compliant.

The financial highlights of your Company for the year ended 31<sup>st</sup> March, 2026 are summarized as follows:

(Rs. in crore)

Particulars	Standalone		Consolidated	
	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025	Year ended 31 <sup>st</sup> March, 2026	Year ended 31 <sup>st</sup> March, 2025
<b>Total Income</b>	<b>2,584.64</b>	<b>2,664.97</b>	<b>2,593.93</b>	<b>2,698.53</b>
EBITDA	85.14	68.18	71.26	64.63
Less: Depreciation	107.86	109.80	109.51	111.21
EBIT	-22.71	-41.62	-38.25	-46.58
Less: Finance Cost	65.79	61.48	66.07	63.42
Profit before Exceptional Items and Tax	-88.51	-103.10	-104.32	-110.00
Less: Exceptional Items	22.51	22.70	13.16	-
Profit before Tax	-111.02	-125.80	-117.48	-110.00
Less: Tax	-31.17	-41.60	-31.17	-41.60
<b>Profit after Tax</b>	<b>-79.85</b>	<b>-84.20</b>	<b>-86.31</b>	<b>-68.40</b>

There have been no material changes and commitments affecting the financial position of the Company which have occurred between end of the financial year and the date of this report. There has been no change in the nature of business of the Company.

The Company has not transferred any amount to Reserves for the year ended 31<sup>st</sup> March, 2026.

## 2. DIVIDEND

Considering the challenges encountered during the year under review, your Board of Directors have decided not to recommend any dividend for the financial year 2025 - 26. This decision has been taken with a view to conserving resources to support the Company's future growth initiatives and enhance long-term shareholder value.

### 3. FINANCE

**3.1** Your Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through a process of continuous monitoring.

#### 3.2 Rating

Your Company has been assigned a rating of:

- i. IND A Negative - Outlook : Negative for term loan facilities.
- ii. IND A Negative for fund based and non - fund based long term working capital limits.
- iii. IND A1 for fund based and non - fund based short term working capital limits.

#### 3.3 Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments made by your Company and covered under the provisions of Section 186 of the Act are appended as notes to the financial statements.

### 4. EMPLOYEE STOCK OPTION SCHEME 2026 (ESOP 2026)

Pursuant to the approval of shareholders of the Company through Postal Ballot obtained on 19<sup>th</sup> April, 2026, the Board of Directors of the Company have been authorized to introduce and implement 'Sutlej Textiles and Industries Limited - Employee Stock Option Scheme 2026' ("ESOP 2026" or "Scheme").

The Scheme envisages issuance of 33,43,380 (Thirty Three Lakhs Forty Three Thousand Three Hundred and Eighty) options to eligible employees of the Company, including any director, whether whole-time or not (excluding promoter and independent directors), exercisable into not more than 33,43,380 (Thirty Three Lakhs Forty Three Thousand Three Hundred and Eighty) equity shares of face value of Re. 1/- (Rupee One only) each fully paid-up, where one Option would convert into one equity share upon exercise, on such terms and in such manner, in accordance with the provisions of the applicable law and the ESOP 2026.

The grants under the Scheme are further subject to necessary statutory approvals and would be made in conformity with the applicable laws. No shares were awarded to employees under the Scheme

during FY 2025 - 26. As on the date of adoption of the Report by the Board, there are no stock options that are either outstanding or exercisable.

### 5. MODERNIZATION AND OTHER CAPITAL PROJECTS

During the financial year, your Company continued with various modernization and de-bottlenecking activities.

Your Company has invested an amount of Rs. 63.59 crore on modernization, technology up-gradation and de-bottlenecking during the year. This will result in further improvement in efficiency and sustaining plant utilization and will result in value addition and improvement in quality.

### 6. SUBSIDIARIES

The Company has a wholly owned subsidiary in the USA viz. Sutlej Holdings Inc., which in turn has a wholly owned subsidiary viz. American Silk Mills, LLC. Pursuant to the provisions of Indian Accounting Standard - 110 (Ind AS - 110) prescribed under the Companies (Accounting Standards) Rules, 2006, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015) and as prescribed by the Securities and Exchange Board of India, consolidated financial statements presented by the Company include financial information of subsidiary companies, and forms part of the Annual Report.

The highlights of financial performance of the Company's subsidiaries for the financial year 2025 - 26 are disclosed in Form AOC - 1, and forms part of the Financial Statements. Your Company has also formulated a policy for determining material subsidiaries, which is available on the website of the Company at the web link:

<https://www.sutlejttextiles.com/pdf/Policies%20&%20Codes/Material%20Subsidiary%20Policy.pdf>

### 7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The detailed review of the operations, state of your Company's affairs, performance and outlook of the Company is given separately in the Management Discussion and Analysis Report as required under Regulation 34 of the Listing Regulations, 2015 by way of "Annexure I" to this Report.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### 8.1 Change in Key Managerial Personnel (KMP)

- a) Mr. Rajib Mukhopadhyay ceased to be the Chief Financial Officer and KMP of the Company w.e.f. 11<sup>th</sup> June, 2025.
- b) Mr. Sachin J. Karwa was appointed as the Chief Financial Officer and KMP of the Company w.e.f. 11<sup>th</sup> June, 2025.

### 8.2 Re-appointment of Directors

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Ashishkumar Srivastava (DIN 06527942) will retire by rotation at the ensuing 21<sup>st</sup> Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Necessary resolution seeking approval of the members for the proposed re-appointment, along with his brief profile and terms of re-appointment, have been incorporated in the Notice of the ensuing AGM.

### 8.3 Appointment of Directors

- a) Mr. C. S. Nopany (DIN 00014587) was appointed as Managing Director of the Company designated as "Executive Chairman" for a period of 3 (three) years w.e.f. 1<sup>st</sup> August, 2025.
- b) On the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors have appointed Mr. Alok Ohrie (DIN 01052136) as Additional Independent Director of your Company w.e.f. 5<sup>th</sup> May, 2026, subject to the approval of the members at the forthcoming 21<sup>st</sup> AGM of the Company. Necessary resolution seeking approval of the members for the proposed appointment of Director, along with his brief profile, has been incorporated in the Notice of the ensuing AGM.

Mr. Alok Ohrie has been appointed for a period of 5 (five) consecutive years from the date of his appointment.

In the opinion of the Board the aforementioned Directors are persons of integrity who possess essential skills, expertise, and competencies in the context of the Company's business for effective functioning and fulfil requisite conditions as per applicable laws. The key skills, expertise and core

competencies of the Board of Directors are detailed in the Corporate Governance Report, and forms part of this Annual Report. Except Mr. C. S. Nopany and Mr. Arhant Vikram Nopany, no other Directors are related to each other and are independent of the management of the Company.

### 8.4 Cessation / Resignation of Directors

Mrs. Sonu Bhasin (DIN 02872234) ceased to be an Independent Director of the Company on completion of her second term of 5 (five) consecutive years on 6<sup>th</sup> May, 2025.

The Board places on record its appreciation for the valuable services and guidance provided by her, during her tenure as Director.

### 8.5 Independent Directors

All Independent Directors of the Company have been appointed for a fixed term of 5 (five) consecutive years from the date of their respective appointment / regularization in the AGM and they are not liable to retire by rotation. All Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) & (7) of the Act and Listing Regulations, 2015. The Independent Directors have also confirmed that they have complied with the requirements stipulated under Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, planning and execution, management and leadership, legal and risk management, corporate governance systems and practices, finance, banking and accounts and possess the requisite functional and managerial experience and they hold highest standards of integrity.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

### 8.6 Board Effectiveness

#### 8.6.1 Familiarization Policy

Pursuant to Regulation 25(7) of Listing Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The policy is available on the website of the Company at the weblink:

<https://www.sutlejtextiles.com/pdf/csr/FamiliarisationProgramme-2025-26.pdf>

The Familiarization Policy of the Company seeks to familiarize the Independent Directors with the working of the Company, their roles, rights and responsibilities, vis a vis the Company, the industry in which the Company operates, business model, etc.

#### 8.6.2 Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, 2015, the Board has carried out an evaluation of its own performance and that of the Directors individually, as well as the evaluation of the working of the Board Committees. The manner of evaluation has been explained in the Corporate Governance Report.

#### 8.6.3 Criteria for selection of Directors, KMPs and Senior Management Personnel (SMPs) and their remuneration

The Board on the recommendation of the Nomination and Remuneration Committee (NRC) has framed a policy for selection and appointment of Directors, KMPs and SMPs and their remuneration. The policy is available on the Company's website at the weblink:

[https://www.sutlejtextiles.com/pdf/Policies%20%20Codes/STIL\\_Remuneration%20Policy0525.pdf](https://www.sutlejtextiles.com/pdf/Policies%20%20Codes/STIL_Remuneration%20Policy0525.pdf)

The policy contains, inter-alia, principles governing the appointment and remuneration of Directors, KMPs and SMPs, including criteria for determining qualifications, positive attributes, independence of Directors, etc.

#### 8.6.4 Key Managerial Personnel

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

- Mr. Ashishkumar Srivastava, Wholetime Director & CEO;
- Mr. Sachin J. Karwa, Chief Financial Officer; and
- Mr. Manoj Contractor, Company Secretary & Compliance Officer.

## 9. MEETINGS OF THE BOARD

A calendar of prospective meetings is prepared and circulated in advance to the Directors. During the year, seven meetings of the Board were convened. The details of Board and Committee meetings held during the year under review, are given in the Corporate Governance Report forming part of this Annual Report. The gap between these meetings was within the period prescribed under the Act and Listing Regulations, 2015.

## 10. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company did not enter into any material related party transaction with Promoters, Directors, KMPs or other designated persons.

All related party transactions are placed before the Audit Committee and also the Board for approval. Suitable disclosures as required by the Indian Accounting Standards-24 (Ind AS - 24) have been made in the notes to Financial Statements.

The Company has formulated a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and is available at the weblink:

[https://www.sutlejtextiles.com/pdf/Policies%20%20Codes/RPTPolicy\\_05.05.2026.pdf](https://www.sutlejtextiles.com/pdf/Policies%20%20Codes/RPTPolicy_05.05.2026.pdf)

The disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 forms part of this report.

## 11. INTERNAL FINANCIAL CONTROL SYSTEMS

Your Company's Internal Financial Control Systems are robust, comprehensive and commensurate with the nature of its business, size, scale and complexity of its operations. The system covers all major processes including operations, to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Auditors continuously monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable

assurance on the adequacy and effectiveness of the Company's risk management with regard to internal control framework.

The policies and procedures adopted by the Company ensures orderly and efficient conduct of its business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of records and timely preparation of reliable financial information. The Audit Committee actively reviews adequacy and effectiveness of internal control systems and suggests improvements, for strengthening them in accordance with business dynamics, if necessary. It also reviews Internal Audit Reports on a quarterly basis. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the Financial Statements, including the financial reporting system and compliance of accounting policies and procedures followed by the Company.

## 12. AUDITORS

### 12.1 Statutory Auditors

The Company's Auditors, M/s. BSR & Co., LLP, Chartered Accountants, (ICAI Firm Registration Number: 101248W/W-100022), were re-appointed as the Statutory Auditors of the Company for a second term of five years commencing from the financial year 2022 - 23 to hold office from the conclusion of the 17<sup>th</sup> AGM of the Company till the conclusion of the 22<sup>nd</sup> AGM to be held in the year 2027. The Auditors have confirmed their eligibility under Section 141 of the Act and Rules framed thereunder. As required under Regulation 33 of the Listing Regulations, 2015 the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by the Auditors on the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2026 is part of the Annual Report. There has been no qualification, reservation, adverse remark, reporting of any fraud including under Section 143(12) of the Act or disclaimer by the Auditors in their Report.

### 12.2 Internal Auditors

The Board of Directors on the recommendation of the Audit Committee of the Board has appointed M/s. Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E) as Internal Auditors

of the Company. M/s. Singhi & Co. have confirmed their eligibility and have granted their consent to act as Internal Auditors of the Company for the financial year 2026 - 27.

### 12.3 Cost Records and Cost Auditors

In conformity with the provisions of Section 148 of the Act read with The Companies (Cost Records and Audit) Amendment Rules, 2014, Cost Audit is applicable to the Company. The accounts and records for the same are made and maintained by the Company as specified by the Central Government under Section 148(1) of the Act. The Board on the recommendation of the Audit Committee, has appointed M/s. K. G. Goyal & Associates, Jaipur, Cost Accountants (Firm Registration Number: 000024) to audit the cost records relating to the Company's units for the financial year ending on 31<sup>st</sup> March, 2027, at a remuneration as specified in the Notice convening the 21<sup>st</sup> AGM.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants is included in the Notice convening the 21<sup>st</sup> AGM.

### 12.4 Secretarial Auditors

The shareholders at the 20<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> July, 2025 had approved the appointment of M/s. CSM & Co., peer reviewed firm of Company Secretaries in Practice (Firm Registration Number: P2025RJ105300) as Secretarial Auditors of the Company for a term of 5 (five) consecutive years to hold office till the conclusion of the 25<sup>th</sup> AGM of the Company to be held in the year 2030. The Secretarial Auditors have confirmed that they are not disqualified from continuing as Secretarial Auditors of the Company in terms of provisions of the Act & Rules made thereunder and Listing Regulations, 2015.

### 12.5 Secretarial Audit and Secretarial Compliance Report

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and is annexed to this Report.

In addition to the above and pursuant to SEBI circular dated 8<sup>th</sup> February, 2019, a report on Secretarial Compliance for the financial year 2025 - 26 has been submitted to stock exchanges.

### 13. BUSINESS RISK MANAGEMENT

Pursuant to Regulation 17(9) of the Listing Regulations, 2015, the Company has laid down a robust risk management framework to inform the Board about the risk assessment and minimization procedures undertaken by the Company. Your Company has formed a Risk Management Committee, for timely identification and mitigation of risks as a good governance practice.

The risk management framework is designed to identify, evaluate and assess business risks and their impact on Company's business. The risk assessment and minimization procedures are reviewed by the Risk Management Committee and the Board periodically to ensure that executive management controls risk through the mechanism of a properly defined framework. The framework is aimed at creating and protecting stakeholder value by minimizing threats and losses and identifying and maximizing opportunities.

The Risk Management Policy is available on the Company's website at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Risk%20Management%20Policy.pdf>

### 14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed pursuant to Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is given to the extent applicable in "Annexure II", to this Report.

### 15. CORPORATE GOVERNANCE

Your Company is committed to maintain highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. Your Company has implemented all the stipulations enshrined in the Listing Regulations, 2015, and the requirements set out by the Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Regulation 27 of the Listing Regulations, 2015 forms part of this Report as "Annexure III". The requisite Certificate from M/s. CSM & Co.,

confirming compliance with the conditions of Corporate Governance stipulated under Regulation 27 of the Listing Regulations, 2015 is annexed to the Report on Corporate Governance, and forms part of this Report.

### 16. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of your Company's ethos and policy and has been pursued on a sustained basis. In conformity with Section 135 of the Act and Rules made thereunder, your Company has formed a Corporate Social Responsibility (CSR) Committee to oversee the CSR activities undertaken by the Company. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. Your Company has adopted a CSR Policy which provides a broad framework with regard to implementation of CSR activities carried out by the Company in accordance with Schedule VII of the Act. The CSR Policy is available on the Company's website at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf>

During the financial year 2025-26, your Company has spent Rs. 42.06 lakhs towards CSR activities. A report on CSR activities as prescribed under the Act and Rules made thereunder is annexed herewith as "Annexure IV".

### 17. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct.

Under the vigil mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of Regulation 22 of the Listing Regulations, 2015, protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. Adequate safeguards are provided against victimization to those who avail of the vigil mechanism.

The Whistle Blower Policy is available on the Company's website at the weblink :

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Whistle%20Blower%20Policy.pdf>

## 18. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company does business that delivers long term shareholder value and benefits society. Your Company continues to focus on its commitments which are aligned with national priorities and United Nations Sustainability Development Goals.

Your Company aims to create a positive business environment and empowering your Company's employees to make sustainable business decisions.

The Business Responsibility and Sustainability Report (BRSR) is aligned with the principles enshrined in the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs.

Pursuant to Regulation 34(2)(f) of Listing Regulations, 2015, the BRSR of the Company for the financial year 2025-26 is annexed as "Annexure V" and forms an integral part of this Report.

## 19. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has in place a Policy on prevention, prohibition and redressal of sexual harassment at workplace as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and Rules framed thereunder. Our POSH Policy is inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders. This has been widely communicated internally. Your Company has constituted an Internal Complaints Committee as per the requirement of the Act to redress complaints relating to sexual harassment at its workplaces. No complaints were received during the year under review.

## 20. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended 31<sup>st</sup> March, 2026 is uploaded on the website of the Company and can be accessed at [www.sutlejtextiles.com](http://www.sutlejtextiles.com)

## 21. PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as "Annexure VI" to this Annual Report.

The statement containing particulars of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) and 5(3) of the Rules, forms part of this Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the shareholders, excluding the aforesaid statement. The statement is open for inspection upon request by the shareholders, and any shareholder desirous of obtaining the same may write to the Company at [investor.relations@sutlejtextiles.com](mailto:investor.relations@sutlejtextiles.com)

## 22. COMPLIANCE OF ACCOUNTING STANDARDS

As per requirements of the Listing Regulations, 2015 and applicable Accounting Standards, your Company has made proper disclosures in the Financial Statements. The applicable Accounting Standards have been duly adopted pursuant to the provisions of Sections 129 and 133 of the Act.

## 23. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India and forming part of the Act, on meetings of the Board of Directors and General Meetings.

## 24. DIVIDEND DISTRIBUTION POLICY

As required under Regulation 43A of Listing Regulations, 2015, your Company has formulated a Policy on Distribution of Dividend which can be accessed at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Dividend-Distribution-Policy.pdf>

## 25. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations

obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Act :

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2026 and of the profit or loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the 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 fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 26. OTHER DISCLOSURES

During the year under review:

- no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and / or its operations in future;
- no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;
- no shares with differential voting rights and sweat equity shares have been issued;
- there was no instance of buyback of shares;
- no public deposits as defined under Chapter V of the Act have been accepted by the Company;
- there were no instances of receipt of any remuneration or commission by the Managing

or Wholtime Director of the Company from any of its subsidiaries;

- the Company has complied with the provisions of Maternity Benefit Act, 1961;
- no agreements requiring disclosure under clause 5A of part A of para A of Schedule III, of the Listing Regulations, 2015 were entered.

## 27. CAUTIONARY STATEMENT

Statements in the Directors Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

## 28. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from various stakeholders including financial institutions and banks, government authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take this opportunity to place on record their appreciation for the committed services rendered by the employees of the Company at all levels, who have contributed significantly towards the Company's performance and for enhancing its inherent strength.

Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

**For and on behalf of the Board**

**(C. S. Nopany)**

Executive Chairman

DIN 00014587

Place: Mumbai

Dated: 05<sup>th</sup> May, 2026

## Annexure-I

# Management Discussion and Analysis

### Global economic review

The global economy expanded by 3.4% in 2025, marginally higher than 3.3% in the previous year, even as the US tariff shock of April 2025 weighed on trade sentiment. Although partially unwound through subsequent trade deals, the shock left effective tariff rates well above pre-2025 levels and heightened trade policy uncertainty.

Advanced economies witnessed a marginal growth from 1.8% in 2024 to 1.9% in 2025, while emerging market and developing economies demonstrated relative resilience, expanding by 4.4% in 2025 compared to 4.3% in 2024.

Global inflation continued its multi-year downward trend in 2025, declining to an estimated 4.1% from 5.8% in 2024.

Regional growth (%)	2025	2024
World output	3.4	3.3
Advanced economies	1.9	1.8
Emerging and developing economies	4.4	4.3

(Source: IMF, un.org)

### Performance of the major economies, 2025

<p><b>United States</b> GDP growth was 2.1% in 2025 compared to 2.8% in 2024</p>	<p><b>China</b> GDP growth remained stagnant at 5% in 2025 and 2024</p>	<p><b>United Kingdom</b> GDP growth was 1.3% in 2025 compared to 1.1% in 2024</p>
<p><b>Japan</b> GDP growth was 1.2% in 2025 compared to (0.2) % in 2024</p>	<p><b>Germany</b> GDP growth was 0.2% in 2025 compared to a (0.5) % in 2024</p>	

(Source: IMF April 2026 Outlook, World Bank)

### Outlook

The global economy is expected to moderate over the next two years amid continued geopolitical tensions, trade disruptions, inflationary pressures, and heightened energy-market uncertainty. The outbreak of the US–Iran conflict in February 2026 has added a further layer of risk to the global outlook, contributing to volatility in oil prices, disruptions to trade routes, and increased uncertainty across financial markets. Global growth is projected at 3.1% in 2026 and 3.2% in 2027, while inflation is expected to remain elevated before gradually easing. Although policy support and supply-chain adjustments may help stabilize markets, the external environment is likely to remain uncertain and volatile. Businesses may therefore continue to face pressure from cautious consumer demand, fluctuating input costs, and evolving trade dynamics.

(Source: IMF April 2026 Outlook)

## Indian economy

The Indian economy grew at an estimated 7.6% in FY26, compared to 7.1% in FY25. This growth was driven by strong consumption and increasing investments, reaffirming India's position as the fastest-growing major economy.

India's Real GDP at Constant Prices was estimated at Rs. 322.58 lakh crore in FY 2025-26, against the First Revised Estimate of Rs. 299.89 lakh crore for FY 2024-25.

### Growth of the Indian economy

	FY23	FY24	FY25	FY26E
Real GDP growth (%)	7.2	7.2	7.1	7.6

E: Estimated. Note: FY24 figure restated under new base year 2022-23. (Source: MoSPI (February 27, 2026))

### Growth of the Indian economy quarter by quarter, FY 2025-26

	Q1FY26	Q2FY26	Q3FY26	Q4FY26E
Real GDP growth (%)	7.8	8.4	6.7	7.3

Note: Q2 revised upward from 8.2% and Q3 from 7.35% under the new base year 2022-23 series released February 27, 2026. Q4 remains an estimate. (Source: MoSPI, February 27, 2026)

### Inflation, Monetary Policy and Financial Markets

Inflation remained benign during FY26, with CPI averaging approximately 2.1%, enabling the RBI to reduce policy rates by a cumulative 125 basis points and support consumption and investment. Despite macroeconomic stability, the Indian rupee depreciated nearly 10% against the US dollar, reflecting global capital outflows, elevated crude oil prices, a stronger US dollar and geopolitical tensions.

Foreign portfolio investors remained cautious during the year, although robust domestic institutional inflows continued to provide stability to financial markets. Equity markets witnessed a correction amid geopolitical uncertainties and global trade concerns, while gold prices rose sharply as investors shifted towards safe-haven assets.

India's direct tax collections continued to grow despite remaining marginally below revised estimates. The banking sector further strengthened, with gross NPAs declining to 2.1% and profitability improving, reflecting healthier balance sheets and continued financial sector resilience.

### Economic Growth

India's economic growth remained broad-based, led by strong expansion in manufacturing and services.

While the primary sector recorded moderate growth, the secondary and tertiary sectors continued to drive economic activity, supported by robust performance across manufacturing, trade, logistics, financial services and real estate.

Growth was underpinned by resilient domestic demand, with both private consumption and capital formation expanding by over 7.5%, reflecting sustained household spending alongside continued investment in productive assets.

### Outlook

India is expected to remain among the world's fastest-growing major economies, supported by resilient domestic demand, sustained public infrastructure investment, stable monetary policy and improving trade linkages. Continued government capital expenditure, favourable demographics, urbanization and structural reforms are expected to underpin long-term growth.

The Government has further increased capital expenditure to Rs. 12.2 lakh crore in FY27, reinforcing its infrastructure-led growth strategy. Expectations surrounding the implementation of the 8<sup>th</sup> Pay Commission are likely to support consumer spending, while stable interest rates and a well-capitalized banking system are expected to sustain credit growth, particularly across retail and MSME segments.

At the same time, risks remain from geopolitical tensions, volatile crude oil prices and slowing global demand, which could impact inflation, input costs and external trade. Nevertheless, India's strong macroeconomic fundamentals and prudent fiscal management position the economy well to navigate these challenges while sustaining long-term growth.

(Source: MoSPI, Business Standard, Press Information Bureau, Business Standard, IMF, OECD, Deccan Chronicle, NDTV Profit, Outlook Business, The Asian Banker)

## Global textile and apparel industry

**Market size and growth:** The global textile and apparel market is projected to reach US\$ 2.36 trillion in 2026 and US\$ 3.10 trillion by 2033, reflecting a Compound Annual Growth Rate (CAGR) of 4.2% from 2026 to 2032.

**Textile market:** The global textile market has demonstrated strong growth momentum in recent years. The market is projected to expand from USD 1,065.45 billion in 2026 to USD 1,955.50 billion by 2034, registering a CAGR of 7.11%. Historical growth has been driven by the expansion of global apparel manufacturing, rising household consumption of textiles, the availability of diverse raw fibre sources, increasing demand for home furnishings and the development of large-scale textile mills.

**Apparel market:** The global apparel market was valued at USD 1,749.67 billion in 2025. It is projected to grow to USD 1,804.08 billion in 2026 and further expand to USD 2,307.04 billion by 2034, registering a CAGR of 3.52% during the forecast period. In 2025, Asia Pacific led the market, accounting for a dominant 41.03% share of global revenue.

The Asia-Pacific region continues to lead the global textile market, powered by major manufacturing hubs such as China (the world's largest textile producer and exporter), India, and Bangladesh, which benefit from cost-competitive labour, extensive production capacity, and well-established supply chains. North America, particularly the U.S., remains a significant consumer market and a major exporter of raw cotton, while Europe is an important destination for sustainable and luxury textile products. The U.S. (US\$ 359 billion), China (US\$ 329 billion) and India (US\$ 141 billion) are the largest apparel markets.

The global textile market is expected to grow further as demand strengthens, with Asia-Pacific accounting for around 48%-54% of the total market share in 2026. China,

India, and Bangladesh remain at the forefront of regional production and exports, reflecting the region's dominant position in both value and volume terms.

(Source: Fortune Business Insights, Business Research Company, Research Nester, Coherent Market Insights)

## Key trends and developments

**Sustainability and circularity:** Consumers are increasingly demanding sustainable, ethically produced textiles. Companies are responding by investing in recycled and bio-based fibres, advanced recycling technologies, and transparent supply chains that can track material origins and environmental impact.

**Digital transformation and smart manufacturing:** Automation, AI, and machine learning are being leveraged for demand forecasting, inventory optimization, and personalized marketing. The use of digital twins and advanced simulation tools is enabling real-time scenario planning, optimizing production, and improving operational efficiency.

**Trade policies and global sourcing:** Evolving trade regulations, including tariffs on imports from major Asian exporters, are reshaping global supply chains. Brands are diversifying sourcing to countries such as India, Vietnam, and Indonesia, while exploring near-shoring options in Europe to reduce costs and enhance supply chain resilience.

**Consumer behaviour evolution:** Economic pressures and growing environmental awareness are driving consumers toward sustainable consumption models. Second-hand markets, rental services, and minimalist fashion choices are gaining traction, signalling a shift from fast fashion to value-driven, long-lasting apparel.

**Production relocation:** Rising labour costs in traditional manufacturing hubs like China are prompting apparel production to move to Bangladesh, Vietnam, and emerging regions in Africa, the Middle East, and Latin America. Factors such as cost efficiency, proximity to markets, and access to skilled labour are driving this shift.

**Political and regulatory risks:** Political instability in key textile-producing countries, along with potential changes to trade agreements (e.g., The African Growth and Opportunity Act (AGOA) expiration in 2025), could disrupt sourcing strategies. Companies are increasingly assessing geopolitical risks when planning expansion and supply chain strategies.

**Innovation in materials and processes:** Brands are experimenting with regenerative fibres, biodegradable textiles, and waterless dyeing techniques. These innovations not only reduce environmental impact but also enhance product differentiation, reflecting a convergence of sustainability and competitiveness.

**Energy transition and carbon policies:** With the adoption of carbon pricing and renewable energy incentives, manufacturers are accelerating investments in energy-efficient equipment and low-carbon technologies. This trend is expected to drive the creation of near-zero-emission facilities and more sustainable textile polymers.

(Source: IMARC Group, Textile Value Chain)

## Indian textile and apparel sector

India ranks as the world's second-largest producer of textiles and garments and the third-largest exporter, spanning apparel, home textiles, and technical textile products. The country accounts for approximately 4.6% of global textile trade and ranks among the top five exporters across multiple product categories. The textile sector contributed around 2% to India's GDP and nearly 11% of the country's manufacturing GVA. It is also a major employment driver, engaging over 45 million people and producing roughly 22 billion garments annually. Looking ahead, the industry's contribution to GDP is projected to more than double by 2030, approaching 5%.

(Source: IBEF)

## Export and import performance

India's textile and apparel exports showed volatile resilience through 2025 and into early 2026. While November 2025 saw a sharp 9.4% surge, the overall Jan–Nov 2025 growth remained marginal at 0.26% (\$32.56 billion). The momentum shifted in January 2026 with a 3.75% dip, yet apparel exports maintained a slight 1.6% increase for the fiscal year to date. Despite these global headwinds, total FY26 exports are projected to hold steady at \$37 billion, bolstered by growth in technical textiles, man-made fibres, and new free trade agreements. Recent trade developments, such as the India-UAE free trade agreement and ongoing FTA negotiations with the EU, UK, Australia, Canada, and Israel, are expected to boost exports further. India's FDI policy also continues to attract international retailers, strengthening the country's position as a preferred sourcing hub for textiles and apparel.

Several key segments reported strong performance during the year. Readymade Garments (RMG) exports increased by 11.3%, while man-made yarn, fabrics and made-ups recorded a growth of 15.7%. Exports of cotton yarn, fabrics, made-ups and handloom products grew by 4.1%, and handicrafts (excluding handmade carpets) saw a sharp rise of 29.7%.

Despite global uncertainties, India's textile and apparel sector demonstrated resilience and adaptability, maintaining competitiveness on a global scale.

(Source: PIB, IBEF)

## Government support and initiatives

In 2025, India's MSMEs in textiles, handloom, and apparel remain central to the country's industrial and export growth strategy. Recognising their employment potential and global competitiveness, the government has introduced a suite of schemes to support every stage of the value chain.

These initiatives aim to modernise traditional practices, promote sustainability, and position Indian MSMEs as global leaders.

The Government of India continues to support the textile sector through a range of initiatives focused on infrastructure development, technology upgradation, value addition, skill enhancement, and export promotion. Schemes such as PM MITRA, ATUFS, PLI, NTTM, and Samarth amongst others are driving modernization, productivity, and competitiveness across the textile value chain, while targeted programs for handlooms, technical textiles, and MSMEs provide support for raw material access, innovation, financing, and market development. Collectively, these initiatives are strengthening the sector's resilience, encouraging sustainable growth, and enhancing its global competitiveness.

(Source: Psbloans)

## Outlook for India

The Indian textile, yarn, and apparel industry remains a major economic contributor but faces challenges such as high production costs, fragmented supply chains, complex export procedures, and raw material price volatility, affecting competitiveness against Vietnam, Bangladesh, and China.

At the same time, growth opportunities are strong, particularly in technical textiles and man-made fibres, driven by rising global demand, government initiatives

like PLI and R&D support, and adoption of modern technologies. Recent measures, such as temporary cotton import duty removal, aim to improve cost competitiveness, while policy and innovation support position India's textile MSMEs to expand exports and capture higher-value markets.

## Home textiles

The global home textile market is projected to reach USD 145.29 billion in 2026, up from USD 136.25 billion in 2025, and is expected to expand to USD 200.28 billion by 2031, registering a CAGR of 6.63% during 2026–2031. Asia-Pacific continues to play a pivotal role in strengthening supply-side resilience through its integrated manufacturing clusters. However, fluctuations in cotton and polyester prices remain a challenge, impacting margins across the value chain. At the same time, regulatory developments, particularly in the European Union, are accelerating the shift toward circularity, durability standards, and the adoption of recycled and specialty fibres.

The home textile industry is being reshaped by several evolving consumer and market trends. Sustainability remains central, with increasing demand for eco-friendly materials, ethical sourcing, and cleaner production processes. Consumers are also gravitating toward versatile and customizable designs, ranging from minimalist aesthetics to bold patterns that complement diverse interior styles. Technological integration is gaining traction, with innovations such as smart textiles and home automation-compatible fabrics enhancing product functionality and user convenience.

Another defining trend is premiumization. Consumers are increasingly willing to invest in higher-quality home textile products that offer enhanced comfort, durability, and aesthetic value. This reflects a broader lifestyle shift toward long-term value and conscious consumption. Collectively, these developments indicate a market that is adapting to changing consumer expectations while prioritizing innovation, sustainability, and elevated living standards.

In parallel, the European Union has strengthened its regulatory framework to promote sustainable textile production. New mandates require home textiles to comply with stricter environmental standards, including the use of organic or recycled materials and reduced reliance on harmful chemicals. These measures underscore the EU's commitment to advancing circular economy principles and reshaping global textile manufacturing practices.

(Source: Steller, Ken Research, Mordor Intelligence)

## Indian home textiles industry overview

The India home textile market is projected to reach USD 11.91 billion in 2026 and grow to USD 16.76 billion by 2031, registering a CAGR of 7.08%. Growth is supported by strong export demand, rising urban disposable incomes, and government production incentives, despite short-term margin pressures from cotton price volatility and quality-control regulations. Leading players are upgrading spinning and finishing capabilities to produce antimicrobial, temperature-regulating, and sustainable fabrics, aligning with growing demand for premium home textiles in Tier-1 and Tier-2 cities.

India accounts for approximately 7–8% of the global home textile market and is among the leading suppliers to the United States. Key export categories include carpets and rugs, furnishing articles, bed linen, and kitchen and table linen. The country has emerged as a significant manufacturing and export hub, supported by strong production capabilities and a well-established value chain.

Improved product quality, sustained R&D efforts, and increased focus on value-added features have strengthened the global appeal of Indian home textiles. Indian manufacturers supplying premium-quality products hold strong positions in major markets such as the US and the UK, which together contribute nearly two-thirds of India's home textile exports. Exports are projected to reach USD 12 billion by FY31, growing at an estimated 8% CAGR (FY24–FY31). Domestically, rising demand for branded home textile products is expected to drive further market expansion.

(Source: Mordor Intelligence, Research and Markets, Fashionating World)

## Significant growth drivers

### Rapid urbanization and expanding middle class

Growing urbanization and rising disposable incomes are encouraging consumers to upgrade their living spaces, thereby increasing demand for stylish and functional home textile products.

### E-commerce expansion

The rapid growth of digital marketplaces has enhanced accessibility and product variety, enabling consumers to conveniently purchase home textiles online, which continues to accelerate market growth.

### Shift towards branded and premium products

Indian consumers are increasingly favouring branded and designer offerings that promise superior quality, innovation, and aesthetic appeal, supporting premiumization within the segment.

### Emphasis on sustainability

Heightened environmental awareness is driving demand for eco-friendly and responsibly manufactured home textiles. Companies adopting sustainable materials and production practices are well positioned to benefit from this shift.

### Material and technological innovation

Investment in advanced materials, improved fabric performance, and innovative manufacturing technologies is enabling differentiation through enhanced durability, comfort, and sustainability.

### Product and market expansion

Leveraging India's manufacturing strength and textile heritage, companies are expanding into new product categories and untapped international markets to broaden their global footprint.

(Source: Wright Research, Textile Insights, ICRA)

## SWOT analysis

### Strengths

- **Innovation:** Innovation at Sutlej is driven by the need to offer new and sustainable qualities coupled with customer requirements who increasingly demand differentiated products to respond to new trends and end-user preferences.
- **Technology:** Technology plays a vital role across all functions at Sutlej from production and quality assurance to research and development.
- **Economies of scale:** In the textile industry, size matters. With a capacity advantage, we leverage aspects like sourcing of raw materials to offering the widest range of products to customers.
- **Integration:** From yarns and fibres to home furnishing and finished goods, we have established our presence across the textile value chain.
- **Range:** Present across the spectrum of product categories, we have evolved into a one stop shop for textile solutions.

- **Global presence:** One of India's largest exporters of value added synthetic and blended yarns, we enjoy a presence in over 60 nations worldwide.

### Weaknesses

- **Outdated technology:** Many sectors, particularly weaving and processing, lack modernization and rely on outdated, low-productivity machines.
- **Overdependence on cotton:** A heavy focus on cotton makes the industry vulnerable to price fluctuations, with synthetic fibres under-utilized.
- **Fragmented structure:** The industry is highly fragmented with a large unorganized sector (handlooms, power looms), which hinders economies of scale.
- **Poor infrastructure:** Inadequate supply chain, logistics, and power supply increase lead times and costs.

### Opportunities

- **Technical textiles:** The growing market for specialized textiles (e.g., medical, automotive) offers huge growth potential.
- **Rising export demand:** As China pivots away from low-cost manufacturing, India can capture a greater share of global apparel exports.
- **Policy support:** Government initiatives like PLI schemes, Mega Integrated Textile Regions and Apparel (MITRA) parks encourage investment and modernization.
- **Sustainability shift:** Rising global demand for organic and sustainable clothing presents a market differentiation opportunity.

### Threats

- **Intense competition from low-cost imports:** Domestic manufacturers face strong competition from countries with lower labour and production costs. This often results in pricing pressure and compressed margins, particularly in commoditized product segments.
- **Raw material price volatility:** Fluctuations in the prices of key inputs such as cotton, polyester, and dyes directly impact production costs. Companies without effective procurement or hedging strategies are especially vulnerable to margin instability.
- **Evolving consumer preferences:** Frequent shifts in design trends, lifestyle choices, and fashion influences require companies to remain agile.

Businesses that fail to anticipate changing demand risk inventory build-ups and loss of market relevance.

- Supply chain vulnerabilities: Global and domestic supply chain disruptions stemming from geopolitical tensions, trade restrictions, natural disasters, or health crises, can lead to raw material shortages, production delays, and higher logistics costs, affecting overall market stability.

(Source: Wright Research, Scribd, Silicon India)

## Company overview

Sutlej Textiles and Industries Limited is one of India's largest integrated textile manufacturers, spanning the value chain from yarn production to home textiles. A flagship of the conglomerate founded by Dr. Krishna Kumar Birla; the Company combines legacy scale with a forward-looking strategy.

Sutlej offers a diversified portfolio of spun-dyed, cotton blended, cotton mélange and dyed yarns, alongside a growing home textiles business. With manufacturing facilities in Bhawanimandi (Rajasthan), Baddi (Himachal Pradesh), Kathua (Jammu and Kashmir) and Daheli (Gujarat), supported by a green fibre unit, the Company emphasizes technology, sustainability and operational efficiency.

Exporting to over 60 countries, Sutlej has built strong global partnerships and positioned itself as a value-added textile solutions provider, moving beyond commodity yarns toward premium, trend-aligned offerings.

## Key ratios

Particulars	FY2026	FY2025
Debt-equity ratio	1.12	0.97
Debtor's turnover (days)	54	49
Inventory turnover (days)	130	121
Debtor's turnover (x)	6.75	7.49
Inventory turnover (x)	2.8	3.02
Interest coverage ratio (x)	1.29	1.11
Current ratio (x)	1.14	1.19
EBITDA margin (%)	3.32	2.58
Net profit margin (%)	-3.11	-3.19
Return on net worth (%)	-9.74	-9.42

During the year, the Company undertook multiple initiatives to optimize costs and improve product mix, with the results becoming progressively visible across each quarter of FY26.

The Company reported positive EBITDA of Rs. 85.15 crore in FY26 on a standalone basis, compared to Rs. 68.18 crore in FY25, a year-on-year improvement of 24.9%. EBITDA margins expanded by 74 basis points to 3.32% from 2.58% in the prior year.

On leverage, total borrowings stood at Rs. 876 crore as at 31<sup>st</sup> March, 2026 (excluding subordinated debt), with the debt-to-equity ratio at 1.12x compared to 0.97x in the prior year. While gearing increased modestly, the Company maintained working capital utilization at 67% against sanctioned limits as at 31<sup>st</sup> March, 2026, reflecting continued financial discipline.

The interest coverage ratio improved to 1.29x in FY26 from 1.11x in FY25, supported by the improvement in operating profitability, reflecting a strengthened ability to service debt obligations from operating earnings.

Debtors' turnover stood at 54 days in FY26 compared to 49 days in FY25, while inventory turnover stood at 130 days compared to 121 days in the prior year. The moderation in both metrics was largely on account of the challenging external operating environment during the year, including elevated interest costs and geopolitical disruptions, which extended logistics, procurement, and realization cycles across the industry.

The current ratio stood at 1.14x in FY26 compared to 1.19x in FY25, continuing to reflect adequate coverage of current liabilities by current assets.

Return on net worth stood at (9.74)% in FY26, broadly stable compared to (9.42)% in the prior year, even as the Company strengthened its core operating performance with EBITDA margin expanding to 3.32% and interest coverage improving to 1.29x. This operating momentum is expected to drive a meaningful improvement in return on net worth as transformation benefits mature.

The Company's financial ratios for FY26 reflect both the challenging external environment - elevated interest costs, geopolitical disruptions including the Russia-Ukraine conflict, Middle East conflict and Red Sea supply chain disruptions - and the early, tangible results of the transformation underway.

## Risk management

At Sutlej, risk is not viewed as an exception, it is acknowledged as an inherent part of doing business in a cyclical and globally interconnected textile industry. The Company's risk management framework is anchored in strong governance oversight and proactive leadership involvement. The Risk Management Committee works

closely with senior management to identify emerging vulnerabilities, assess their potential impact and implement timely mitigation measures. The approach is preventive rather than reactive, aligning resilience with long-term value creation.

### Quality and operational risk

Sustained competitiveness depends on consistent product quality and manufacturing efficiency. Any deviation can impact customer confidence and margins.

**Mitigation:** Continuous investments in modern spinning technology, automation and process optimization ensure uniform quality standards across facilities. Structured quality audits and operational benchmarking further strengthen reliability.

### Raw material risk

Volatility in cotton and other fibre prices can affect cost structures and profitability.

**Mitigation:** The Company actively monitors commodity cycles, follows calibrated procurement strategies and maintains supplier diversification to reduce exposure to price shocks.

### Trend and product relevance risk

Failure to anticipate shifts in consumer preferences towards value-added, sustainable or differentiated products could constrain growth.

**Mitigation:** A strong focus on innovation and product development keeps the portfolio aligned with evolving demand. The Company will continue to dedicate more spindles for value-added yarns, reflecting a strategic shift towards premiumization.

### Competitive risk

Intensifying competition from domestic and international players may exert pricing pressure.

**Mitigation:** A diversified export presence in more than 60 countries, a broad customer base in India, operational efficiencies and a differentiated product mix help reduce concentration risk and strengthen market positioning.

### Customer concentration and retention risk

Revenue stability depends on sustaining long-term customer relationships.

**Mitigation:** The Company deepens engagement with customers at early stages of product development and consistently introduces specialized yarn offerings, including cotton blended dyed yarns, cotton mélange

and specialty blends. In FY 2025–26, total yarn sales reached 98,499 metric tonnes, underlining sustained market acceptance.

### Supply chain and geopolitical risk

Global trade disruptions, logistics bottlenecks or geopolitical tensions may affect exports and input availability.

**Mitigation:** A geographically diversified export portfolio, multi-location manufacturing footprint and prudent inventory planning enhance supply chain resilience.

### Sustainability and regulatory risk

Increasing global emphasis on environmental compliance and traceability presents both obligations and opportunities.

**Mitigation:** Investments in sustainable fibre production, energy efficiency and responsible manufacturing practices position the Company ahead of evolving regulatory expectations.

Through disciplined oversight, diversification and continuous innovation, Sutlej seeks to convert risk awareness into strategic advantage, reinforcing stability while pursuing calibrated growth.

## Internal control system and adequacy

The Company has developed robust internal control systems and processes tailored to its specific business operations and complexities. Through the implementation of well-defined policies and procedures, it safeguards business integrity, protects assets, ensures accurate financial reporting, and mitigates the risk of fraud. These systems are regularly reviewed and assessed to strengthen their effectiveness and support continuous improvement.

## Human resources

The Company regards its committed and motivated employees as its most valuable asset. It fosters a positive work environment, provides competitive compensation, and recognizes employee contributions through a structured rewards and recognition program. To encourage professional development, employees are supported in taking part in voluntary projects beyond their primary roles, fostering creativity and continuous learning. As of 31<sup>st</sup> March 2026, the Company employed a total of 15,491 people.

## Annexure-II

# Conservation of Energy

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

### 1) Energy Conservation measures taken:

Energy conservation remains a critical priority in addressing energy challenges, minimizing environmental impact and enhancing global competitiveness.

Your Company continues to place strong emphasis on efficient energy utilization through ongoing initiatives such as process and machinery optimization, adoption of advanced technologies, development of innovative operational methods, regular energy audits, timely maintenance practices and implementation of waste heat recovery systems. These efforts have resulted in measurable savings in energy consumption, cost and operational time.

In addition to the initiatives undertaken in previous years, the Company implemented further measures given below during FY 2025-26 aimed at reducing energy costs and improving overall production efficiency. These initiatives have contributed to optimizing resource utilization and strengthening cost competitiveness.

#### A. Spinning

##### a) Installed :

- i. 13 VFD's at a capital cost of Rs. 14.42 lakhs resulting in saving 371 Kwh/day and Rs. 10.07 lakhs per annum.
- ii. 12 energy saving motors at a capital cost of Rs. 9.70 lakhs resulting in saving 25 Kwh/day and Rs. 0.68 lakhs per annum.
- iii. 20 energy saving E FRP Fan at a capital cost of Rs. 13.20 lakhs resulting in saving 852 Kwh/day and Rs. 23.13 lakhs per annum.
- iv. Drive on SAF and RAF leading to reduction in frequency at a capital cost of Rs. 32.00 lakhs which resulted in saving 565 Kwh/day and Rs. 12.88 lakhs per annum.

- v. One 15 kW motor in replacement of two motors (22 kW & 18.5 kW) with optimized fan and airflow at a capital cost of Rs. 1 lakh resulting in saving 161 kwh/day and Rs. 1.95 lakhs per annum.
- vi. Timer to switch off the main motor when the doffer remains off for 15 minutes at a capital cost of Rs. 0.39 lakhs resulting in saving 265 Kwh/day and Rs. 0.24 lakhs per annum.

##### b) Optimized / Converted :

- i. New steam and condensate line at a capital cost of Rs. 60 lakhs resulting in saving 200 Kwh/day and Rs. 4.70 lakhs per annum.
- ii. Operation cycle of the 5.5 kW Waste Collection Fan using timer control without any cost resulting in saving 121 Kwh/day and Rs. 1.01 lakhs per annum.
- iii. Ring Spinning system to reduce operating time and power consumption without any cost resulting in saving 1,161 Kwh/day and Rs. 9.92 lakhs per annum.
- iv. Fan motor speed from 2,800 RPM to 1,400 RPM without any cost resulting in saving 265 Kwh/day and Rs. 2.26 lakhs per annum.
- v. Reduced frequency to installed Drive on Blower Motor at a capital cost of Rs. 0.83 lakhs resulting in saving 198 Kwh/day and Rs. 1.20 lakhs per annum.
- vi. Stopped 20 Speed Frame Fan Motors without any cost resulting in saving 1,148 Kwh/day and Rs. 3.47 lakhs per annum.
- vii. Reduced speed of 9 Speed Frame Fan Motors at a capital cost of Rs. 0.15 lakhs resulting in saving 468 Kwh/day and Rs. 1.05 lakhs per annum.
- viii. Reduced frequency of WCS Centrifugal Fan without any cost resulting in saving 400 Kwh/day and Rs. 1.42 lakhs per annum.
- ix. Modified Blow Room and Card WCS at a capital cost of Rs. 4.65 lakhs resulting in saving 2,000 Kwh/day and Rs. 5.32 lakhs per annum.

- x. Stopped OHTC Waste Collection System without any cost resulting in saving 161 Kwh/day and Rs. 0.41 lakhs per annum.
- xi. Reduced frequency of WCS without any cost resulting in saving 404 Kwh/day and Rs. 6.54 lakhs per annum.

**c) Replaced :**

- i. 135 low efficiency Ceiling Fans with energy saving Ceiling Fans at a capital cost of Rs. 2.77 lakhs resulting in saving 90 Kwh/day and Rs. 2.44 lakhs per annum.
- ii. Old air compressor 1,070 CFM capacity with new energy efficient make Kaeser at a capital cost of Rs. 65.00 lakhs resulting in saving 1,250 Kwh/day and Rs. 18.83 lakhs per annum.
- iii. SAF & RAF Fan from Batliboi to (ENCON) FRP at a capital cost of Rs. 7.58 lakhs resulting in saving 124 Kwh/day and Rs. 1.46 lakhs per annum.

Various other measures taken in earlier years are continuing.

**B. Home Textiles**

- a) Installed pressures based automation system for fresh water supply at a capital cost of Rs. 0.20 lakhs resulting in saving 150 Kwh/day and Rs. 4.10 lakhs per annum.
- b) Replaced TMT machine compressor with energy efficient Compressor at a capital cost of Rs. 8.00 lakhs which will result in saving 79 Kwh/day and Rs. 2.63 lakhs per annum and ID fan motor of 12 tph boiler with IE4 motor at a capital cost of Rs. 1.4 lakhs, which will result in saving 565 Kwh/day and Rs. 18.60 lakhs per annum.

**FORM – A**

**(A) Power and Fuel Consumption:**

Particulars	2025-26	2024-25
<b>1. Electricity:</b>		
(a) Purchased:		
Units (in lakhs)	4,398.49	4,510.45
Total Cost (Rs. in lakhs)	25,624.76	25,712.86
Rate/Unit (Rs.)	5.83	5.70
(b) Own Generation:		
(i) Through Diesel Generators		
Units (in lakhs)	1.62	4.72
Units per litre of Diesel Oil (Kwh/Ltr.)	3.20	3.39
Cost/Unit (Rs.)	29.85	25.34
(ii) Through Furnace Oil Generators		
Units (in lakhs)	-	-
Units per litre of Furnace Oil	-	-
Cost/Unit (Rs.)	-	-
(iii) Through Thermal Power Plant		
Units (in lakhs)	-	-
Units per MT of Coal (including lignite)	-	-
Cost/Unit (Rs.)	-	-

Particulars	2025-26	2024-25
(iv) Through Solar Power Plant		
Units (in lakhs)	36.50	38.62
Total Cost (Rs. in lakhs)	28.23	28.64
Cost/Unit (Rs.)	0.77	0.74
<b>2. Coal</b>		
(a) Steam Coal		
Quantity (Tons)	27,408.13	26,847.23
Total Cost (Rs. in lakhs)	1,805.92	1,844.78
Average Rate (Rs.)/Ton	6,588.99	6,871.40
(b) Wooden Chips		
Quantity (Tons)	420.28	86.46
Total Cost (Rs. in lakhs)	21.92	4.35
Average Rate (Rs.)/Ton	5,215.76	5,031.46
(c) Pet Coke		
Quantity (Tons)	16,848.92	16,802.03
Total Cost (Rs. in lakhs)	2,923.99	2,540.70
Average Rate (Rs.)/Ton	17,354.17	15,121.41
<b>3. Furnace Oil</b>		
Quantity (Kilo Litres)	-	-
Total Cost (Rs. in lakhs)	-	-
Average Rate (Rs. per Kilo Litre)	-	-
<b>4. HSD Oil</b>		
Quantity (Kilo Litres)	54.77	145.02
Total Cost (Rs. in lakhs)	48.36	124.92
Average Rate (Rs. per Kilo Litre)	88,296.51	86,142.31

**(B) Consumption per unit of production:**

Particulars	2025-26	2024-25
<b>Production :</b>		
Electricity per Ton of Yarn Production (Units) @	2,926	3,007
Electricity per Ton of Knitting Fabric Production (Units) €	229	194
Coal per Ton of Yarn Production (Tons) #	0.327	0.373
Pet Coke per Ton of Yarn Production (Tons) #	0.139	0.140
Electricity per thousand meters of Processed fabrics (Units) €	559	556
Electricity per thousand meters of Home Furnishings (Units) \$	1,356	1,337
Coal per thousand meters of processed fabrics (Tons)	1.13	0.99

@ depends on count, ply, dyed or grey etc.

€ depends on weight/meter of fabrics.

# depends on quantum of dying.

\$ depends on picks/meter.

## 2. Energy Conservation plan for 2026-27

### A. Spinning

Following measures are contemplated to save energy consumption during the year 2026-27:

#### Install :

2 CFM totalier with controller; 12 VFD's; and 10 new drive on material supply fan for Blow Room ventilator fan to adjust speed all at a capital cost of Rs. 17.70 lakhs which is expected to result in saving of about 741 Kwh/day and Rs. 22.26 lakhs per annum.

#### Optimise / Convert :

By providing VFD on Pneuma fan motors of 1104 spl KTTM RF machines at a capital cost of Rs. 9.00 lakhs which is expected to result in saving of about 461 Kwh/day and Rs. 6.94 lakhs per annum.

#### Replace :

82 low efficiency C-FRP/E-FRP fan with energy saving fan; old 250 CFM compressor with new technology 1250 CFM Kaeser make compressor plus air dryer; 100 low efficiency ceiling fan with energy saving ceiling fans; 1 old air compressor 1070 CFM capacity each with new energy efficient Kaeser make compressor; 12 old aluminum fans with aerodynamic design energy efficient CFRF fans; 19 main motors of TFO with energy efficient IE4 motors; and 36 aluminum fans with FRP fans all at a capital cost of Rs. 278.25 lakhs which is expected to result in saving of 8,092.4 Kwh/day and Rs. 222.68 lakhs per annum.

### B. Home Textiles

Following measures are contemplated to save energy consumption during the year 2026-27 :

#### Install:

Pressure based automation system for MIX water supply at a capital cost of Rs. 0.10 lakhs which is expected to result in saving 200 Kwh/day and Rs. 5.20 lakhs per annum.

#### Optimise / Convert:

Automate second stack of VDR machine by controlling condensate water temperature without any cost which is expected to result in saving 1,825 MT steam and Rs. 23.70 lakhs per annum.

#### Replace:

Air conditioning system of old panel room at a capital cost of Rs. 74 lakhs which is expected to result in saving 120 Kwh/day and Rs. 3.30 lakhs per annum.

## 3. Impact of measures at (A) & (B) for reduction of energy consumption and consequent impact as the cost of production of goods:

The estimated savings are mentioned against each item (A) & (B).

### FORM – B

Disclosure of particulars with respect to technology absorption (to the extent possible)

#### 1. Technology Absorption

##### 1) Research and Development (R&D)

##### A. Specific area in which R&D carried out by the Company

###### a) Spinning

Synthetics: The Company operates a state-of-the-art, well-equipped Testing Laboratory within its premises, featuring the latest technology and advanced testing machinery. The laboratory is fully capable of conducting comprehensive testing of raw materials, in-process materials, finished products, dyes and chemicals, as well as all types of packaging materials, ensuring strict adherence to quality standards at every stage of production.

A dedicated and full-fledged Product Development Team drives continuous innovation by developing high value-added products tailored to diverse customer requirements. The New Product Development (NPD) team is actively engaged in creating innovative and sustainable solutions aligned with evolving market dynamics and global trends, with a strong focus on the use of sustainable fibres and processes that reduce water and energy consumption.

The Company's Research & Development (R&D) facility is equipped with advanced, next-generation technologies, including Uster-6 Evenness Tester, Uster Tenso Rapid 5, Uster Quantum Classimat (Yarn Fault Classification System), online monitoring systems (all from Uster), auto dispenser systems, and beaker dyeing machines. These capabilities enable the Company to meet stringent market requirements while ensuring the highest levels of customer satisfaction.

The Company has been accredited with the prestigious Integrated Management System (IMS) certifications, comprising ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health & Safety Management System), along with BIS Certification. In addition, the Company holds multiple globally recognized certifications, including Usterised Lab, Oeko-Tex, FSC, SVCOC, GOTS/GRS/OCS/RCS, Fair Trade, and SA 8000, reflecting its commitment to quality, sustainability, and ethical practices.

Continuous improvement and the development of innovative, sustainable products remain a core focus and key driver of the Company's long-term success and customer satisfaction. The Company's modern quality testing and development infrastructure is managed by a team of highly qualified and experienced professionals. Advanced equipment such as Uster Quantum 4, Premier iQ2, and Premier Tensomaxx 7000 further strengthen the Company's quality assurance capabilities.

The Company has also upgraded its legacy CSP testing systems with advanced high-speed and high-accuracy Auto Stretch technology from MAG, enabling simultaneous testing of both Count Strength Product (CSP) and Rkm parameters on a single platform. Additionally, new core-spun yarn technology has been introduced to expand the product portfolio. Strategic shop floor reconfiguration and permanent segregation measures have been implemented to enhance contamination control and improve overall product quality.

**Cotton:** The Cotton Mélange Division is supported by comprehensive in-house testing facilities, including a modern, well-equipped laboratory capable of testing raw materials through to finished products, as well as dyestuffs and packaging materials. This integrated approach ensures consistent quality control across all stages of production.

The Company places strong emphasis on the development of value-added products. Its NPD team actively undertakes innovation-driven initiatives, guided by evolving market trends and technical expertise. Dedicated product development cells have been established to

facilitate timely sample development, enabling the Company to effectively meet customer specifications and enhance overall satisfaction.

The Research & Development (R&D) laboratory is equipped with advanced, state-of-the-art technologies such as Uster 6 Evenness Tester, HVI 1000, Tensojet, Advanced Fibre Information System (AFIS Pro 2), UTR 4, Classimat-5 Yarn Fault Classifying System, Online Monitoring Systems, and Lab Expert Systems, all sourced from Uster. Additionally, the integration of auto dispenser systems and beaker dyeing machines underscores the Company's commitment to precision, efficiency, and technological advancement.

The various certifications and the accreditations which the Company holds reinforces its adherence to globally recognized operational standards. Further, the Company has obtained multiple certifications such as Oeko-Tex, GOTS/GRS/OCS/RCS, Fair Trade, and SA 8000, reflecting its strong commitment to sustainability and ethical business practices.

The Division's quality assurance and product development functions are supported by modern, state-of-the-art equipment operated by a team of highly qualified and experienced professionals. During the year, the Company continued to expand its product offerings by launching new shade cards for suiting and shirting, featuring a wide range of shades developed around diverse thematic concepts, thereby strengthening its market position and customer engagement.

#### **b) Home Textiles**

The Company has maintained a well-equipped, modern, and state-of-the-art quality testing infrastructure, featuring advanced instruments such as the latest generation Advanced Fibre Information System, Uster Quantum 4, Premier iQ2, and Premier Tensomaxx 700, along with other testing equipment. These facilities are efficiently managed by a team of highly qualified and experienced professionals.

#### **B) Benefits derived as a result of above R&D**

The Company's continuous focus on Research & Development has led to the successful development of value-added products, enhanced product quality and optimized cost structures. Ongoing studies and experimental initiatives are regularly undertaken to improve energy efficiency, productivity and

quality standards, while ensuring effective cost control. The installation of specialized machinery for developing small yarn samples has accelerated fabric development cycles, enabling the Company to respond swiftly to evolving market demands and strengthen its market presence.

Aligned with global textile trends, the Company has strategically shifted its focus towards sustainable and specialty products, moving beyond conventional offerings. Robust testing and continuous monitoring of critical parameters have strengthened process control and operational efficiency. These initiatives have enabled the expansion of product and shade portfolios, reinforced the Company's competitive positioning and enhanced its brand image. Continuous trials and studies are conducted to optimize the use of energy, manpower and utilities, while improving productivity, quality and cost efficiency, thereby ensuring high levels of customer satisfaction across both domestic and international markets.

In the Cotton Mélange segment, particular emphasis is placed on raw material selection, supported by prompt and precise testing using advanced equipment such as High Volume Testers (HVI) and Trash Analyzers. These measures have facilitated the production of superior quality, value-added products while optimizing costs. Continuous improvement initiatives through structured studies and experimentation contribute to enhanced productivity, quality and resource efficiency, enabling the Company to effectively meet the requirements of domestic as well as export customers.

During the year, the Company further strengthened its technological capabilities by equipping 16 additional autoconers (across Synthetics and Cotton Mélange) with Quantum-4 electronic yarn clearers featuring advanced foreign fibre detection channels, ensuring cleaner yarn through effective elimination of contamination. Additionally, 20 legacy ring frames were replaced with advanced LR ring frames, significantly improving yarn quality and consistency. In the finishing section, the installation of high-technology TFO machines and 2 modern cheese winding machines has further enhanced overall product quality.

Across other business segments, R&D initiatives have consistently supported product innovation, quality improvement and cost optimization. The adoption of new technologies has facilitated the

development of innovative products and contributed to improved profitability. Continuous efforts are made to enhance energy efficiency, productivity and operational excellence through systematic studies and process improvements.

Round-the-clock R&D activities ensure continuous monitoring of quality parameters at various stages of production, enabling timely corrective actions to maintain consistency and drive continual improvement. The Company remains committed to developing innovative, sustainable and cost-effective solutions, resulting in enhanced product quality, reduced waste, optimized costs and improved energy efficiency across its operations.

### C) Future plan for action

The Company has outlined a phased capital investment and modernization plan aimed at strengthening its manufacturing capabilities, enhancing product quality and improving operational efficiency. In the synthetics divisions, it is proposed to progressively install the latest generation Uster Quantum-4 Electronic Yarn Clearers (EYC) with advanced Foreign Fibre Detection (FL-FD) channels across additional autoconers, replacing older Quantum-2 and Quantum-3 systems. This initiative is expected to significantly improve the detection and removal of Classimat objectionable faults, thereby enhancing yarn quality. The Company also plans to install additional high-technology Two-for-One (TFO) machines and modern cheese winding machines to achieve better energy efficiency and superior product quality. Further, existing Uster and Classimat testing equipment will be upgraded to next-generation systems for improved process control and monitoring.

To strengthen product development capabilities and market responsiveness, the Company is also planning to install advanced knitting machines and miniature looms, which will enhance infrastructure for sampling and facilitate deeper market penetration.

In the cotton mélange divisions, modernization initiatives include the replacement of older winding clearers in autoconers with Uster Quantum-4 systems to improve yarn quality, along with planned upgrades in the carding section. The Company also intends to expand double yarn capacity through the addition of new TFO machines supported by upgraded cheese winding facilities. To further support product innovation, a miniature loom for cotton development

and an additional sweater knitting setup are proposed to cater to both domestic and export markets. Capacity expansion in compact yarn production is also planned, along with the introduction of integrated miniature machinery lines enabling continuous fibre opening and carding processes.

As part of its broader capital expenditure plan, the Company proposes to undertake several key installations, including solar power project under renewable energy initiatives, advanced draw frame machines, multiple high-technology TFO units, modern cheese winding machines, new-generation autoconers, and advanced testing equipment such as Uster Tester Premier iQ5 and Classimat systems. Additional investments include the installation of new ring frames with auto doffers, advanced carding machines, and the replacement of legacy compressors with energy-efficient, high-capacity systems. These initiatives are aligned with the Company's objective of improving productivity, reducing energy consumption, and enhancing overall operational efficiency.

The Company also plans to undertake strategic capacity enhancements and process improvements. Additionally, the introduction of new-generation carding machines, advanced yarn clearers, auto contamination sorters and high-technology TFO machines is planned to further strengthen process capabilities and product quality.

Overall, these planned initiatives reflect the Company's continued commitment to technological advancement, sustainability, capacity expansion and the development of innovative, high-quality products to meet evolving market demands.

## 2) Expenditure incurred towards R&D

(Rs. in lakhs)

S. No.	Particulars	2025-26	2024-25
a)	Capital	863.97	20.32
b)	Recurring	740.50	700.31
c)	Total	1,604.47	720.63
d)	Total R&D expenditure as a percentage of total Turnover	0.657%	0.282%

## 2. Technology Absorption, Adaptation and Innovation

### A. Spinning

The Company operates with state-of-the-art plant and machinery and follows a policy of continuous modernization and technological upgradation. During the year, it incurred capital expenditure to replace legacy equipment with advanced technologies aimed at enhancing productivity, efficiency and product quality.

Key upgrades include installation of Uster Quantum 4.0 yarn clearers, tube loaders on ring frame machines, LC300A linear coiler conversion and Joint Air 690 splicers on autoconers. Additional improvements comprise Lycra winding machines, I-Scan Femto systems, air flow measuring instruments and screw presses for sludge dewatering.

Further initiatives include implementation of ISM and RSM Premier Ultimo systems, MAG Tenso Master yarn testers, MCCB upgrades and environmental enhancements such as a biological tank for Zero Liquid Discharge. Other additions include mixing bale openers, Kontron PC systems for autoconers, fire sprinkler systems, and optimization of the boiler and steam condensate line. These measures have collectively strengthened operational efficiency and product quality.

- Incurred Rs. 4,080 lakhs on replacement of old technology, plant machinery & equipment.
- Incurred Rs. 2,015 lakhs on addition and modifications of existing plant and machinery.
- Incurred Rs. 390 lakhs on purchase of machines and equipment for debottlenecking.

### B. Home Textiles

The Company is having latest state of the art plant and machinery and plan for continuous modernization & upgradation of machines. For technology absorption, adoption and innovation the following capital expenditure have been incurred:

- Incurred Rs. 600 lakhs on replacement of old technology, machinery and equipment.

- b) Incurred Rs. 395 lakhs on purchase of machines and equipment for debottlenecking.

### 3. Foreign Exchange Earnings & Outgo

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The Company has taken effective steps for exports. During the year, the Company achieved satisfactory export performances. The Company is conscious of the challenges in export market

and will continue to take steps towards developing exports and will concentrate on products having higher per unit realization.

2. Total foreign exchange earned and used  
(Rs. in crore)

S. No.	Particulars	2025-26	2024-25
i)	Foreign Exchange Earned	866.91	891.45
ii)	Foreign Exchange Used	72.79	39.93

## Annexure-III

# Report on Corporate Governance

### A. CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is a systematic process, driven by ethical conduct of the business and affairs of an organization aimed at promoting sustainable business and enhancing shareholder value in the long term. Corporate governance therefore, in essence, is a referral paradigm, comprising a mechanism to benchmark company's business and affairs to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a company meets its obligations with the objective to optimize shareholder value and fulfil its responsibilities to the stakeholder community, comprising of customers, employees, shareholders, government and other societal segments.

Sutlej's Governance philosophy is based on trusteeship and for promoting and maintaining integrity, transparency and accountability, across all business practices. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures are aimed at building trust of all stakeholders, such as shareholders, employees, customers, suppliers, financiers, government and the community. This philosophy is built upon a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The Company believes that a sound governance discipline also enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including the society at large. We at Sutlej believe that this is an ongoing journey for sustainable value creation for all stakeholders and we continuously endeavor to improve upon our practices in line with the changing demands of business. Sutlej adopts innovative approaches for leveraging all its resources; and encourages a spirit of conversion of opportunities into achievements. The Company's Code of Business Conduct and Code for Prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance structures and systems are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and strategic thought process and are the foundation which nurtures ramping up of healthy and sustainable growth through empowerment and motivation.

Keeping in view the Company's size, reach, complexity of operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domain;
- Timely and adequate flow of information to the members of the Board and its Committees for meaningful and focused discussion at the meetings to enable them discharge their fiduciary duties;
- Strategic supervision, monitoring and guidance by the Board of Directors which is made up of appropriate size, experience and commitment to discharge their responsibilities;
- Independent verification of Company's financial reporting from time to time and on quarterly basis;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders and equitable and fair treatment to all the stakeholders (including employees, customers, vendors and investors);
- Sound systems and processes for internal control and risk management framework to mitigate perceived risk;
- Compliance with applicable laws, rules, regulations and guidelines with transparency and defined accountability; and
- Proper business conduct by the Board members, senior management and employees.

In line with this philosophy, the Company and its Board of Directors continuously strive for excellence through adoption of best governance and disclosure

practices. The Board of Directors continuously strive to play an active role in fulfilling its fiduciary obligation to shareholders by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder value and societal expectations, with ethical and responsible business conduct. The governance framework ensures its effectiveness through an efficient system of timely disclosures and transparent business practices.

Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015), the details of which for the financial year ended 31<sup>st</sup> March, 2026 is as set out hereunder:

## B. BOARD OF DIRECTORS

The Board of Directors which is a body formed to serve and protect the overall interest of all the stakeholders, provides and evaluates the strategic direction of the Company; formulates and reviews management policies and ensures their effectiveness. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large.

### Composition of the Board

The Company has a balanced and diverse Board which includes independent professionals and conforms to the provisions of the Companies Act, 2013 (the Act) and the Listing Regulations, 2015. Your Company's Board represents an optimum combination of experience and expertise in diverse areas such as banking, finance, law, general

management, administration and entrepreneurship and comprises of Executive and Non-Executive Directors, including independent professionals, who play a crucial role in Board processes and provide independent judgment on issues of strategy and performance. As on 31<sup>st</sup> March, 2026, the Company's Board of Directors comprised of seven Directors; four of whom are Independent Directors (including a Woman Director); one Non-Executive Director; and two Executive Directors viz., Executive Chairman and Wholetime Director. The Non-Executive Directors account for more than 70 per cent of the Board's strength as against the minimum requirement of 50 per cent as per the Listing Regulations, 2015. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of stakeholders and the Company. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company. None of the Directors are inter-se related to each other, except for Mr. C. S. Nopany and Mr. Arhant Nopany, with Mr. Arhant Nopany being the son of Mr. C. S. Nopany.

None of the Directors on the Company's Board are members of more than 10 (ten) committees and chairpersons of more than 5 (five) committees (being, Audit Committee and Stakeholders' Relationship Committee) across all the companies, in which he / she is a Director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31<sup>st</sup> March, 2026. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, 2015.

## DETAILS OF DIRECTORSHIPS / COMMITTEE POSITIONS / SHARES HELD

The composition of the Board of Directors, number of other Directorships / Board level committee positions held by them in other Indian public companies as on 31<sup>st</sup> March, 2026, number of shares held in the Company are as follows:

Name of Director	Category	Number of shares held in Sutlej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutlej]	* Number of other companies' Board Committee(s)		Skills/Expertise/ Competencies identified by the Board
				Chair-person	Member	
Mr. C. S. Nopany (DIN 00014587)	ED / PG	1,10,000	1. #Chambal Fertilizers & Chemicals Limited - Non-Executive Director	1	0	Leadership experience of leading

Name of Director	Category	Number of shares held in Sutej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutej]	* Number of other companies' Board Committee(s)		Skills/Expertise/ Competencies identified by the Board
				Chair-person	Member	
			2. #SIL Investments Limited - Non-Executive Chairman 3. #New India Retailing & Investment Limited - Non-Executive Chairman 4. #Magadh Sugar & Energy Limited - Non-Executive Chairman 5. #Avadh Sugar & Energy Limited - Managing Director 6. Yashovardhan Investment & Trading Company Limited - Director 7. Ronson Traders Limited - Non-Executive Director 8. Morton Foods Limited - Director			operations of large organizations with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change.
Mr. Rohit Dhoot (DIN 00016856)	I	Nil	1. #Dhoot Industrial Finance Limited- Managing Director 2. #Hindustan Oil Exploration Company Limited - Non-Executive Director 3. #The Indian Hume Pipe Company Limited - Independent Director 4. #Technocraft Industries (India) Limited - Independent Director 5. Aakarshak Synthetics Limited - Director 6. Young Buzz India Limited - Director 7. Technosoft Engineering Projects Limited - Director	0	5	Financial Management and Accounting. Business Strategies and innovations.
Mr. Ashok Mittal (DIN 00016275)	I	Nil	None	0	0	Financial Management, Banking and Accounting. Business Strategies and innovations.

Name of Director	Category	Number of shares held in Sutej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutej]	* Number of other companies' Board Committee(s)		Skills/Expertise/Competencies identified by the Board
				Chair-person	Member	
Mr. Sameer Kaji (DIN 00172458)	I	Nil	1. #Nuvama Wealth Management Limited - Independent Director 2. Nuvama Wealth and Investment Limited - Director 3. Edelweiss Asset Reconstruction Company Limited - Director 4. Nuvama Custodial Services Limited - Director 5. ECL Finance Limited - Director 6. Alternicq Limited - Director	3	5	Entrepreneurship and Finance.
Ms. Deepa Kapoor (DIN 06828033)	I	Nil	None	0	0	Entrepreneurship and innovation.
Mr. Arhant Nopany (DIN 07863206)	NED	Nil	1. Yashovardhan Investment & Trading Company Limited - Director 2. SCM Investment & Trading Company Limited - Additional Director	0	1	Accounting, Entrepreneurship and innovation.
Mr. Ashishkumar Srivastava (DIN 06527942)	ED	Nil	1. Morton Foods Limited - Director	0	1	Leadership in leading operations of large organizations, Regulatory and Governance, Sustainability, Risk Management, Entrepreneurship, Business Strategies and innovations.

ED – Executive Director; PG – Promoter Group; I – Independent; NED – Non Executive Director

**Notes:**

- i. The directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, companies under Section 8 of the Act and private limited companies, which are not the subsidiaries of public limited companies.
- ii. \*Represents membership / chairmanship of only two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of Listing Regulations, 2015.
- iii. As on 31<sup>st</sup> March, 2026, none of the Directors of the Company were related to each other, except for Mr. C. S. Nopany and Mr. Arhant Nopany, with Mr. Arhant Nopany being the son of Mr. C. S. Nopany.

Except Mr. C. S. Nopany, none of the Directors hold any shares of the Company.

## BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members possess the required qualification, integrity, expertise and experience for the position. They also possess deep expertise and insights in sectors / areas relevant to the Company and ability to contribute to Company's growth. The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements.

### List of Core Skills / Expertise / Competencies of the Directors of the Company

1. Strategy planning and execution;
2. Management and leadership;
3. Functional and managerial experience;
4. Legal and risk management;
5. Corporate governance systems and practices; and
6. Finance, banking and accounts.

## BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Listing Regulations, 2015 and Section 149(6) of the Act. Due to promulgation of Section 149 of the Act and Regulation 25 of the Listing Regulations, 2015, Independent Directors can be appointed for 2 fixed terms of maximum five years and they shall not be liable to retire by rotation. Therefore, the Company has appointed all the existing Independent Directors for a fixed term of five consecutive years in compliance with the aforesaid provisions. The Company has issued formal letters of appointment to all the Independent Directors as prescribed under the provisions of the Act and the terms and conditions of their appointment have been uploaded on the website of the Company.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149(6) of the Act and applicable provisions of Listing Regulations, 2015 and that they are qualified to act as Independent Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations, 2015 and are independent of the management.

As required under the Act, the Independent Directors held a separate meeting to assess the functioning of the Board and its Committees and to evaluate the performance of the Chairman, Executive and the Non - Executive Directors.

The maximum tenure of the Independent Directors is in compliance with the provisions of the Listing Regulations, 2015 and the Act. In accordance with the same, Mrs. Sonu H. Bhasin (DIN 02872234) completed her second term of 5 (five) consecutive years as Independent Director of the Company on 06<sup>th</sup> May, 2025. As a result, she ceased to be an Independent Director w.e.f. 06<sup>th</sup> May, 2025, upon completion of her tenure.

## FAMILIARIZATION OF BOARD MEMBERS

As an onboarding process, all new Directors inducted on the Board are taken through a familiarization process whereby information of the Company, its various units, products and financials is shared and explained to the Director.

The provision of an appropriate induction for the Directors and ongoing familiarization initiatives for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. All new Directors inducted on the Board are introduced to the Company's culture through appropriate orientation sessions or at the meeting of Board of Directors. Presentations are shared to provide an overview of the Company's operations and to familiarize the new Directors with our operations. They are also introduced to our organization structure, our products, Board procedures, matters reserved for Board and our major risk and risk management strategy. The Independent Directors, from time to time, request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information either at the meeting of the Board of Directors or otherwise.

The induction process is designed to:

- a. build an understanding of Sutlej, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and

- d. develop understanding of the Company's people and its key stakeholder relationships.

The Directors are also kept informed about market and sectoral trends, changes in governing laws and regulations, etc.

The details of familiarization programme is available on the website of the Company at the weblink: <https://www.sutlejtextiles.com/pdf/csr/FamiliarisationProgramme-2025-26.pdf>

## BOARD MEETINGS AND PROCEDURE

The Board meets at least once in every quarter inter alia, to review the quarterly financial results, operations and other items on the agenda and minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company.

In case of business exigencies or urgency of matters, resolutions are passed by way of circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The meetings are held as per the requirements of business and maximum interval between any two Board meetings is within the permissible limits.

During the year under review, seven Board meetings were held on 09<sup>th</sup> May, 2025, 11<sup>th</sup> June, 2025, 07<sup>th</sup> August, 2025, 16<sup>th</sup> October, 2025, 06<sup>th</sup> November, 2025, 12<sup>th</sup> February, 2026 and 12<sup>th</sup> March, 2026. The necessary quorum was present in all the Board meetings. Leave of absence was granted to the concerned Director(s) who had requested for leave of absence due to their inability to attend the respective Board meeting. The details of attendance of Directors at the Board meetings and at the last Annual General Meeting (AGM) are as under:

Name of Director	Number of Board meetings		Attendance at last AGM (through Video Conference and Other Audio Visual Means)
	Held	Attended	
Mr. C. S. Nopany	7	7	Yes
Mrs. Sonu H. Bhasin *	7	-	N.A.
Mr. Rohit Dhoot	7	7	Yes
Mr. Ashok Mittal	7	7	Yes
Mr. Sameer Kaji	7	7	Yes
Ms. Deepa Kapoor	7	7	Yes
Mr. Arhant Nopany	7	7	Yes
Mr. Ashishkumar Srivastava	7	7	Yes

\* Mrs. Sonu H. Bhasin ceased as Director of the Company w.e.f. 06<sup>th</sup> May, 2025 on completion of her tenure.

## BOARD SUPPORT

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on compliance and governance principles and ensures appropriate recording of Minutes of the meetings.

## INFORMATION TO THE BOARD

The internal guidelines for Board / Board Committee meetings facilitate the decision-making process at the meetings of the Board / Committees in an informed and efficient manner. Board meetings are governed by structured agenda. The Company

Secretary in consultation with the Chairman and senior management prepares the detailed agenda for the meetings. All major agenda items are backed by comprehensive background information, notes and supporting papers containing all the vital information, to enable the Board to have focused discussion at the meeting and take informed decisions.

Agenda papers and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. In case of sensitive agenda matters, or where it is not practicable to attach or circulate relevant information or document as part of the agenda papers, the same are tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional

circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with the permission of the Chairman and Independent Directors. Video conferencing facilities are also made available to enable the participation of Directors at meetings of the Board / Committees. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

A detailed agenda is sent to each Director in advance of the Board meetings, covering inter alia, the required information as enumerated in Part A of Schedule II to Regulation 17(7) of the Listing Regulations, 2015. As a policy, all major decisions involving business plan, allocation and deployment of funds, investments and capital expenditure, in addition to matters which statutorily require the approval of the Board, are placed before the Board for its consideration and directions.

Inter alia, the following information, as may be applicable and required, is provided to the Board as a part of the agenda papers:

- Annual operating plans and revenue budgets
- Capital expenditure budgets
- Quarterly, half yearly and annual results of the Company
- Minutes of the Audit and other Committees of the Board
- Information relating to recruitment and remuneration of SMPs & KMPs
- Materially important legal or taxation issues
- Status of financial obligations to and by the Company
- Any significant development in human resources or industrial relations
- Details of risk exposure and steps taken by management to limit or restrain the risk
- Compliance status with any regulatory, statutory or Listing Regulations related requirements or in relation to any shareholder services
- Action taken report in respect of the decisions arising out of the previous meeting

The Board is also briefed on areas covering industry environment, project implementation, project financing and operations of the Company. Senior

executives are invited to provide additional inputs at the Board meeting, as and when necessary. The members of the Board / Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

The draft minutes of each Board / Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. After incorporating comments, if any, received from Directors, the Company Secretary records the minutes of each Board / Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board / Committee meetings are communicated to concerned departments promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

#### Separate Independent Directors' Meeting

The Independent Directors met on 30<sup>th</sup> March, 2026 without the presence of Executive Directors and inter alia discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### Board Evaluation

In terms of the requirements of the Act and Listing Regulations, 2015, the Board has evaluated its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was circulated, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture,

execution and performance of specific duties, obligations and governance.

The completed evaluation forms were reviewed by the Nomination and Remuneration Committee, in line with Section 178(2) of the Act.

#### **Code of Conduct and Ethics**

The Company has laid down a Code of Conduct (the Code) for the entire Board of Directors and senior management to avoid conflict of interest. The Code is derived from three inter linked fundamental principles, namely: good corporate governance, good corporate citizenship and exemplary personal conduct. The Directors and senior management have affirmed compliance with the Code for the financial year 2025 - 26. A declaration to this effect signed by the Wholetime Director & CEO is attached and forms part of this report. The Code is available on the Company's website [www.sutlejtextiles.com](http://www.sutlejtextiles.com)

There were no material, financial and commercial transactions in which the senior management had personal interest, leading to a potential conflict of interest during the year under review.

#### **Directors and Officers (D&O) Insurance**

In line with the requirements of Regulation 25(10) of the Listing Regulations, 2015, the Company has taken D&O insurance for all its Directors and members of the senior management for such quantum and for such risks as is commensurate with the size and nature of operations of the Company.

### **C. SUBSIDIARY COMPANIES**

The Company has one wholly owned subsidiary viz. Sutlej Holdings, Inc. and a wholly owned step-down subsidiary viz. American Silk Mills, LLC. During the financial year 2025 - 26, the Audit Committee reviewed the financial statements of the subsidiary. Minutes of the Board meetings of the subsidiaries were regularly placed before the Board. The Board / Audit Committee periodically reviews the statement of all significant transactions and arrangement, if any, entered into by the subsidiaries.

### **D. COMMITTEES OF THE BOARD**

Pursuant to Listing Regulations, 2015 and provisions of the Act, the Board of Directors have constituted six permanent Committees of Directors viz.:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;

- Corporate Social Responsibility Committee;
- Risk Management Committee; and
- Finance & Corporate Affairs Committee.

The details of these Committees are as follows:

### **I. AUDIT COMMITTEE**

#### **COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprised of three Independent and one Non-Executive Director and is headed by Mr. Rohit Dhoot. The other members of the Committee are: Mr. Ashok Mittal, Ms. Deepa Kapoor and Mr. Arhant Nopany.

#### **TERMS OF REFERENCE**

The terms of reference of Audit Committee are in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations, 2015. The brief terms of reference inter alia are as follows:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
- Approve payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the quarterly and annual financial statements and auditors report thereon before submission to the Board for approval.
- Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit, etc.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**MEETINGS AND ATTENDANCE**

During the year under review, the Audit Committee met five times on 09<sup>th</sup> May, 2025; 11<sup>th</sup> June, 2025; 07<sup>th</sup> August, 2025; 06<sup>th</sup> November, 2025 and 12<sup>th</sup> February, 2026.

The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Rohit Dhoot	Chairman	Independent	5
Mr. Ashok Mittal	Member	Independent	5
Ms. Deepa Kapoor	Member	Independent	5
Mr. Arhant Nopany	Member	Non - Executive	4

The constitution of the Audit Committee meets the requirements of Section 177 of the Act. The Committee reviews various aspects of the internal audit control system and financial and risk management policies. The requirements in respect of Regulation 18 of the Listing Regulations, 2015 are also reviewed by the Committee. The management makes a presentation before the Audit Committee on the observations and recommendations of the Statutory and Internal Auditors to strengthen controls and compliance. The internal auditors and statutory auditors are permanent invitees to the Committee meeting. The Company Secretary acts as the Secretary of the Committee.

**II. STAKEHOLDER'S RELATIONSHIP COMMITTEE****COMPOSITION**

The Stakeholders' Relationship Committee (SRC) constituted as a mandatory Committee of the Board comprised of one Independent Director, one Non-Executive Director and one Executive Director of the Company and is headed by Ms. Deepa Kapoor. The other members of the Committee are Mr. Arhant Nopany and Mr. Ashishkumar Srivastava.

**TERMS OF REFERENCE**

The Committee inter alia oversees the redressal of shareholder and investor complaints / requests for transmission of shares, sub-division and consolidation of share certificates, issue of duplicate share certificates, requests for dematerialization and rematerialization of shares, non-receipt of declared dividend and non-receipt of Annual Report. It also recommends measures for improvement in investor services. The Committee also keeps a close watch on the performance of MUFG Intime India Private Limited, the Registrar & Share Transfer Agent (RTA) of the Company. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensures timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company. The Company Secretary designated as Compliance Officer acts as the Secretary of the Committee. The Committee meets as often as is necessary for resolution of important matters within its mandate.

**MEETINGS AND ATTENDANCE**

During the year under review, the Committee met thrice on 02<sup>nd</sup> May, 2025; 05<sup>th</sup> November, 2025 and 10<sup>th</sup> February, 2026. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mrs. Sonu H. Bhasin*	Chairperson	Independent	1
Mr. Sameer Kaji**	Chairman	Independent	3
Ms. Deepa Kapoor***	Chairperson	Independent	3
Mr. Arhant Nopany #	Member	Non Executive	N.A.
Mr. Ashishkumar Srivastava	Member	Executive	3

i. \* Mrs. Sonu H. Bhasin ceased as Chairperson and member of SRC w.e.f. 06<sup>th</sup> May, 2025.

ii. \*\*Mr. Sameer Kaji was appointed as Chairman of SRC w.e.f. 06<sup>th</sup> May, 2025 and ceased to be the Chairman and member of SRC w.e.f. 12<sup>th</sup> March, 2026.

iii. \*\*\* Ms. Deepa Kapoor was appointed as the Chairperson of SRC w.e.f. 12<sup>th</sup> March, 2026.

iv. # Mr. Arhant Nopany was inducted as a member of SRC w.e.f. 12<sup>th</sup> March, 2026.

Minutes of the meeting of SRC are approved by the Chairperson of the Committee and are noted by the Board at its next meeting.

#### INVESTOR COMPLAINTS RECEIVED AND RESOLVED DURING THE YEAR

During the year under review, two complaints were received by the Company from the shareholders. The average period of redressal of grievances is 7 (seven) days from the date of receipt of complaints.

### III. NOMINATION AND REMUNERATION COMMITTEE

#### COMPOSITION

The Nomination and Remuneration Committee (NRC) of the Company comprised of three Independent Directors and one Non-Executive Director. The Committee is headed by Mr. Ashok Mittal. The other members of the Committee are Mr. Sameer Kaji, Ms. Deepa Kapoor and Mr. Arhant Nopany.

#### TERMS OF REFERENCE

The terms of reference of NRC are in conformity with Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015. The terms of reference are as follows:

- 1) Recommend to the Board the compensation package of the Executive Directors, Key Managerial Personnel and other Senior Management Personnel.
- 2) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
- 3) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- 4) Devise a policy on diversity of Board of Directors.
- 5) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- 6) Decide on whether to extend or continue the term of appointment of the Independent Directors, on the basis of the performance evaluation report of Independent Directors.
- 7) Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee.

#### MEETINGS AND ATTENDANCE

During the year under review, the Committee met four times on 07<sup>th</sup> May, 2025; 11<sup>th</sup> June, 2025; 06<sup>th</sup> August, 2025; and 26<sup>th</sup> February, 2026. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Ashok Mittal	Chairman	Independent	4
Mr. Sameer Kaji	Member	Independent	4
Ms. Deepa Kapoor*	Member	Independent	1
Mr. Arhant Nopany	Member	Non-Executive	4

\*Ms. Deepa Kapoor was inducted as a member of NRC w.e.f. 07<sup>th</sup> August, 2025.

Minutes of the meeting of NRC are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

#### IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

##### COMPOSITION

The Corporate Social Responsibility Committee (CSR) comprises of three Independent Directors and is headed by Ms. Deepa Kapoor. Other members of the Committee are Mr. Rohit Dhoot and Mr. Sameer Kaji.

##### TERMS OF REFERENCE

The terms of reference of the CSR Committee includes but is not limited to the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on CSR activities;
- Formulate and recommend to the Board, an annual action plan in pursuance of CSR policy;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Oversee ESG initiatives and business responsibility and sustainability reporting; and
- Attend to such other matters and functions as may be prescribed from time to time.

##### MEETINGS AND ATTENDANCE

During the year under review, the CSR Committee met twice on 05<sup>th</sup> May, 2025 and 06<sup>th</sup> August, 2025.

The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mrs. Sonu H. Bhasin*	Chairperson	Independent	1
Ms. Deepa Kapoor**	Chairperson	Independent	2
Mr. Rohit Dhoot	Member	Independent	2
Mr. Sameer Kaji	Member	Independent	2

- i. \* Mrs. Sonu H. Bhasin ceased as Chairperson and member of CSR Committee w.e.f. 06<sup>th</sup> May, 2025.
- ii. \*\*Ms. Deepa Kapoor was appointed as Chairperson of CSR w.e.f. 06<sup>th</sup> May, 2025.

A report on CSR activities as prescribed under the Act and Rules made thereunder is annexed to the Board Report.

Minutes of the meeting of CSR are approved by the Chairperson of the Committee and are noted by the Board at its next meeting.

#### V. RISK MANAGEMENT COMMITTEE

##### COMPOSITION

The Risk Management Committee (RMC) comprises of five members, Mr. Ashok Mittal, Independent Director being the Chairman. Other members of the Committee are Mr. Rohit Dhoot, Ms. Deepa Kapoor, Mr. Arhant Nopany and Mr. Ashishkumar Srivastava.

##### TERMS OF REFERENCE

The Committee is entrusted with the task of monitoring, reviewing and managing the risks to which the Company is exposed, preparation of Company - wide framework for risk management, fixing roles and responsibilities, communicating the risk management objective, allocating resources, drawing action plan, determining criteria for defining major and minor risks, deciding strategies for escalated major risk areas, updating Company-wide risk register and preparing MIS report.

## MEETINGS AND ATTENDANCE

During the year under review, the Committee met twice on 01<sup>st</sup> May, 2025 and 28<sup>th</sup> October, 2025. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Ashok Mittal	Chairman	Independent	2
Mr. Rohit Dhoot	Member	Independent	2
Ms. Deepa Kapoor	Member	Independent	2
Mr. Arhant Nopany	Member	Non-Executive	2
Mr. Ashishkumar Srivastava	Member	Executive	2

Minutes of the meeting of RMC are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

## VI. FINANCE AND CORPORATE AFFAIRS COMMITTEE

### COMPOSITION

The Finance & Corporate Affairs Committee comprised of one Non-Executive Director, two Executive Directors and one Independent Director and is headed by Mr. C. S. Nopany, Executive Chairman of the Board. Other members of the Committee are Mr. Ashok Mittal, Mr. Arhant Nopany and Mr. Ashishkumar Srivastava.

### TERMS OF REFERENCE

The Committee, inter alia, decides upon matters relating to inter corporate loans / deposits, investments, borrowings, opening and closing of bank accounts and various matters related thereto, in terms of the powers delegated to it by the Board from time to time.

During the year under review, the Committee met once on 30<sup>th</sup> March, 2026. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. C. S. Nopany	Chairman	Executive	1
Mr. Ashok Mittal	Member	Independent	1
Mr. Arhant Nopany	Member	Non-Executive	1
Mr. Ashishkumar Srivastava	Member	Executive	1

## D. SENIOR MANAGEMENT

- Mr. Sachin J. Karwa was appointed as Chief Financial Officer of the Company w.e.f. 11<sup>th</sup> June, 2025.
- Mr. Rajib Mukhopadhyay ceased to be the Chief Financial Officer of the Company w.e.f. 11<sup>th</sup> June, 2025.
- Mr. Upendra Kumar Pattnaik was designated as Executive President - Chenab Textile Mills and Birla Textile Mills Unit I w.e.f. 01<sup>st</sup> November, 2025.
- Mr. Rohit Arora was designated as Executive President - Rajasthan Textile Mills and Birla Textile Mills Unit II w.e.f. 01<sup>st</sup> November, 2025.
- Mr. Dinesh Rajpurohit ceased to be the Executive President of Rajasthan Textile Mills w.e.f. 01<sup>st</sup> November, 2025.
- Mr. Narinder Thapa was appointed as Chief Business Officer - Protech Business w.e.f. 25<sup>th</sup> February, 2026.

## E. DETAILS OF REMUNERATION PAID TO DIRECTORS

The Executive Chairman receives salary, allowances, sitting fees, perquisites and commission; the Wholetime Director receives salary, allowances and perquisites, while all the Non-Executive Directors receive sitting fees, allowances, if applicable, and annual commission.

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year.

#### i. Remuneration paid to Non-Executive Directors of the Company

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof. They are also entitled to a fixed commission, payable proportionately to their tenure in office as Directors of the Company.

The commission to all the Non-Executive Directors of the Company is determined after taking into account their valuable guidance in the various business initiatives and decisions at the Board level and also profitability of the Company. The details of commission and sitting fees (including for Committee meetings) paid to the Non-Executive Directors during F. Y. 2025 - 26 is as follows:

Sr. No.	Name of Director	Commission (Rs.)	Sitting Fees (Rs.)
1.	Mrs. Sonu H. Bhasin*	10,00,000	50,000
2.	Mr. Rohit Dhoot	10,00,000	5,75,000
3.	Mr. Ashok Mittal	10,00,000	6,50,000
4.	Mr. Sameer Kaji	10,00,000	5,75,000
5.	Ms. Deepa Kapoor	10,00,000	6,75,000
6.	Mr. Arhant Nopany	10,00,000	6,25,000
	<b>Total</b>	<b>60,00,000</b>	<b>35,33,000</b>

\* Mrs. Sonu H. Bhasin ceased as Director of the Company w.e.f. 06<sup>th</sup> May, 2025 on completion of her tenure.

#### ii. Remuneration paid / payable to the Executive Directors of the Company for the year ended 31<sup>st</sup> March, 2026 is as under:

(in Rs.)

Executive Chairman and Wholtime Director	Salary, etc.	Perquisites	Retirement Benefits	Sitting Fees	Total
Mr. C. S. Nopany	1,95,00,000	-	-	3,83,000	1,98,83,000
Mr. Ashishkumar Srivastava	3,61,02,429	-	18,07,253	-	3,79,09,682

## F. COMPANY POLICIES

### i. WHISTLE BLOWER POLICY

The Company is committed to adhering to high standards of corporate governance. The Company has adopted a Whistle Blower policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer / Chief Ethics Counsellor for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower policy of the Company are subject to review by the Audit Committee. The Whistle Blower

policy is available on the website of the Company at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Whistle%20Blower%20Policy.pdf>

### ii. REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and determination of remuneration payable to them. The policy contains, inter alia, criteria for appointment and remuneration including determining qualifications, positive attributes, independence of a director, etc. The Remuneration Policy is available on the website of the Company at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Remuneration%20Policy.pdf>

### iii. **POLICY ON RELATED PARTY TRANSACTIONS**

In line with requirement of the Act and Listing Regulations, 2015, your Company has formulated a policy on Related Party Transactions which is available on the Company's website at the weblink:

[https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/RPTPolicy\\_05.05.2026.pdf](https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/RPTPolicy_05.05.2026.pdf)

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained on an annual basis for transactions with related parties which are of repetitive nature and / or entered in the ordinary course of business and on an arm's length basis.

### iv. **CORPORATE SOCIAL RESPONSIBILITY POLICY**

The Corporate Social Responsibility (CSR) policy is formulated in consultation with the CSR Committee and as envisaged under Section 135 of the Act and the Rules framed thereunder and is available on the Company's website at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf>

The CSR policy outlines the Company's philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the communities across the country.

### v. **MATERIAL SUBSIDIARY POLICY**

In line with requirement of Regulation 46(2)(h) of the Listing Regulations, 2015, your Company has formulated a policy on Material Subsidiaries which is available on the Company's website at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Material%20Subsidiary%20Policy.pdf>

The objective of this policy is to determine Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

### vi. **BOARD DIVERSITY**

Pursuant to the Listing Regulations, 2015, the Company has formulated a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Board Diversity policy sets out the approach for diversity of the Board of your Company. The Company recognizes and embraces the benefits of having a diverse Board. A truly diverse Board with an inclusive culture will make good the differences in skills, experience, education, gender, age, race, geography, ethnicity, background and other distinctions between the directors. This policy is available on the Company's website at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Board%20Diversity%20Policy.pdf>

The objective of this policy is to ensure an optimum composition of the Board such that the talent of all members of the Board blend together to be as effective as possible.

### vii. **BUSINESS RESPONSIBILITY POLICY**

Business Responsibility and Sustainability Report for the year under review, describing the initiatives taken by the Company from an Environment, Social and Governance perspective as stipulated under Regulation 34(2)(f) of the Listing Regulations, 2015 forms part of the Annual Report. A Business Responsibility policy has also been framed. This policy is available on the Company's website at the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Business-Responsibility-Policy.pdf>

## G. **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis is given in a separate section in this Annual Report and forms part of the Directors' Report.

## H. **DISCLOSURES**

### (a) **Related Party Transactions**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee and also the Board for approval.

Details of related party transactions between the Company and the Promoters, Management, Directors or their relatives, etc. are disclosed in Note No. 44 of the Annual Financial Statements in compliance with the Indian Accounting Standard relating to "Related Party Disclosures". Details of all such transactions are provided to the Board at the Board meetings and the interested Directors neither participate in the discussion, nor vote on such matters.

There is no materially significant related party transaction that may potentially conflict with the interests of the Company at large.

**(b) Confirmation by the Board of Directors on acceptance of Recommendation of Mandatory Committees**

In terms of the amendments made to the Listing Regulations, 2015 the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

**(c) Accounting treatment in preparation of financial statements**

The financial statements have been prepared to comply in all material respects with the applicable Accounting Standards notified under Section 133 and the relevant provisions of the Act and generally accepted accounting principles in India.

**(d) Details of non-compliance with regard to the capital markets**

There has been no instance of non-compliance by your Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.

**(e) Proceeds from public issues, rights issues, preferential issues, etc.**

During the year under review, no proceeds were raised by the Company from public issue, rights issue, preferential issue, etc.

**(f) Insider Trading**

In order to regulate trading in securities of the Company by the Designated Persons, your Company has adopted the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders (Insider Trading Code) and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive

Information' in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) which, inter alia, prohibits trading in shares by an 'insider' when in possession of Unpublished Price Sensitive Information (UPSI). The Insider Trading Code prevents misuse of UPSI and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Designated Persons.

The Board of Directors have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations.

**(g) Compliance with the mandatory Corporate Governance requirements as prescribed under the Listing Regulations, 2015**

The Board of Directors periodically review the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.

**(h) Certificate on Corporate Governance**

The Company has obtained a certificate from its Practicing Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated in Regulation 34(3) read with Part E of Schedule V of the Listing Regulations, 2015 which together with this Report on Corporate Governance is annexed to the Director's Report and shall be sent to all the shareholders of the Company and the Stock Exchanges along with the Annual Report of the Company.

**(i) Compliance with Discretionary Requirements**

The Company has substantially complied with the discretionary requirements stipulated under Regulation 27 (1) of the Listing Regulations, 2015.

**(j) Risk Management**

As required under Regulation 17 of Listing Regulations, 2015, the Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are classified as strategic risks, operational risks or reporting risks. Strategic risks are those which are associated with the long term interests of the Company. Operational risks are risks associated

with failures in day - to - day operations such as equipment malfunction, supply chain breakdown, etc. Reporting risks are associated with incorrect or un-timely financial and non-financial reporting.

The Risk Management Committee and the Board of Directors review the risk management strategy of the Company to ensure effectiveness of the risk management policy and procedures. The Board of Directors of the Company are regularly apprised on the key risk areas and a mitigation mechanism is recommended.

**(k) Corporate Ethics**

As a responsible corporate citizen, the Company consciously follows corporate ethics in business and corporate interactions. The Company has framed codes and policies providing guidance for carrying business in an ethical manner. Some of these policies are:

- a) Code for Prevention of Insider Trading;
- b) Code of Conduct;
- c) Whistle Blower Policy;
- d) Safety, Health and Environment Policy in each of the units;
- e) Equal Opportunity Policy;
- f) Human Rights Policy; and
- g) ESG Policy.

**h) Sustainable Procurement Policy**

In conformity with the recent statutory changes, the codes and policies have been revised accordingly.

**(l) Prevention of Sexual Harassment at Workplace**

Your Company has constituted Internal Complaints Committee as per the requirement of the Act to redress complaints relating to sexual harassment at its workplaces. No complaints were received by the Internal Complaints Committee during the financial year 2025-26.

**(m) Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

As per the requirement of Regulation 17(8) of Listing Regulations, 2015, a certificate duly signed by the CEO and CFO of the Company, regarding the financial statements for the year ended 31<sup>st</sup> March, 2026, was placed before the Board at its meeting held on 05<sup>th</sup> May, 2026.

**(n) Remuneration to the Statutory Auditor**

Details of the total fees paid to the Statutory Auditors by your Company are disclosed in Note No. 37 of the Annual Financial Statements in compliance with the Listing Regulations, 2015.

**(o) Loans and advances in the nature of loans to firms / companies in which the Directors are interested**

The Company has not advanced any amount in the nature of loans to firms / companies in which the Directors of the Company are interested during the financial year 2025-26.

**(p) Details of material subsidiaries of the Company**

The Company had no material subsidiary during the financial year 2025-26.

**I. UNPAID / UNCLAIMED DIVIDENDS**

As per Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, shares pertaining to shareholders who have not en-cashed / claimed dividends for seven consecutive years from the date of declaration were required to be transferred to the demat account of the Investor Education and Protection Fund (IEPF) Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can claim their dividend / shares from the Authority.

In accordance with the IEPF Rules, the Company had sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and published requisite advertisement in the newspaper prior to transfer of the shares pertaining to such shareholders of the Company who have not en-cashed / claimed dividends for seven consecutive years.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2026 and the list of shareholders whose shares have been transferred to the IEPF Authority on the Company's website: <https://www.sutlejtextiles.com/iepf.html>

**J. SHAREHOLDER INFORMATION**

**(i) Means of communication**

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels

of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

The quarterly and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results / QR Code are normally published in Business Standard in English and Rajasthan Patrika/ Dainik Bhaskar in Hindi in terms of Regulation 47 of the Listing Regulations, 2015. The results are also hosted on the website of the Company - [www.sutlejtextiles.com](http://www.sutlejtextiles.com)

The Company organizes / participates in press meets / analyst's meets to apprise and make public the information relating to the Company's working and future outlook. The same is also available on the website of the Company.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders after the financial results are communicated to the Stock Exchanges.

Annual Reports, notice of the meetings and other communications to the members are sent through e-mail, post or courier.

In accordance with Regulation 46 of the Listing Regulations, 2015, the Company has maintained a functional website at [www.sutlejtextiles.com](http://www.sutlejtextiles.com) containing information about the Company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance norms, contact information of the

designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

Further, the Company disseminates to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited wherein the equity shares of the Company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and/ or have a bearing on its performance / operations and issues press releases wherever necessary for the information of the public at large. For the benefit of the shareholders, a separate email id has been created for shareholder correspondence viz. [investor.relations@sutlejtextiles.com](mailto:investor.relations@sutlejtextiles.com).

A centralized web-based complaints redressal system, which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned company and online viewing by the investors of actions taken on the complaint and its current status. The Members can access the SCORES at <https://scores.sebi.gov.in>.

SEBI has made available an online dispute resolution mechanism through the SMART ODR Portal for the Members to raise disputes arising in the Indian Securities Market. After exhausting the options to resolve their grievances directly with the Company/ RTA and through the SCORES platform, investors can initiate dispute resolution through the SMART ODR Portal. For detailed processes, the said circulars can be viewed on the Company's website at [www.sutlejtextiles.com](http://www.sutlejtextiles.com)

## (ii) General Body Meetings of the Company

Details of the last three Annual General Meetings of the Company are as under:

AGM	Financial Year	Date	Time	Venue	Special business/s, if any, passed
20 <sup>th</sup>	2024-25	29 <sup>th</sup> July, 2025	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office: Pachpahar Road Bhawanimandi, Rajasthan)	<ol style="list-style-type: none"> <li>1. Ratification of remuneration paid to M/s. K. G. Goyal &amp; Associates, Cost Auditors.</li> <li>2. Appointment of M/s. CSM &amp; Co., as Secretarial Auditors of the Company.</li> <li>3. Appointment of Mr. C. S. Nopany as the Managing Director designated as Executive Chairman of the Company.</li> </ol>

AGM	Financial Year	Date	Time	Venue	Special business/s, if any, passed
19 <sup>th</sup>	2023-24	30 <sup>th</sup> July, 2024	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office: Pachpahar Road Bhawanimandi, Rajasthan)	<ol style="list-style-type: none"> <li>1. Ratification of remuneration paid to M/s. K. G. Goyal &amp; Associates, Cost Auditors.</li> <li>2. Re-appointment of Mr. C. S. Nopany as the Wholetime Director of the Company designated as Executive Chairman.</li> <li>3. Appointment of Mr. Arhant Nopany as the Non-Executive Director of the Company.</li> <li>4. Appointment of Mr. Sameer Kaji as an Independent Director of the Company.</li> <li>5. Appointment of Ms. Deepa Kapoor as an Independent Director of the Company.</li> <li>6. Appointment of Mr. Rohit Dhoot as an Independent Director of the Company.</li> <li>7. Appointment of Mr. Ashok Mittal as an Independent Director of the Company.</li> </ol>
18 <sup>th</sup>	2022-23	21 <sup>st</sup> August, 2023	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office: Pachpahar Road Bhawanimandi, Rajasthan)	<ol style="list-style-type: none"> <li>1. Ratification of remuneration paid to M/s. K. G. Goyal &amp; Associates, Cost Auditors.</li> </ol>

#### Postal Ballot:

During the financial year 2025 - 26, two Postal Ballots were conducted, and the following resolutions were passed by requisite majority.

1. Postal Ballot Notice dated 22<sup>nd</sup> March, 2025 and the Date of Passing of Resolutions was 01<sup>st</sup> May, 2025:

Particulars of Resolutions	Type of Resolutions	Votes in favour of Resolutions		Votes against the Resolutions		Invalid votes
		No. of votes	% to total votes	No. of votes	% to total votes	
Appointment of Mr. Ashishkumar Srivastava as a Director of the Company	Ordinary	11,76,29,705	99.99	3,633	0.00	1,36,38,289
Appointment of Mr. Ashishkumar Srivastava as the Wholetime Director of the Company	Special	11,76,33,005	99.99	333	0.00	1,36,38,289
Payment of commission to Non-Executive Director(s) of the Company	Special	11,76,29,975	99.99	3,463	0.00	1,36,38,289

**Person who conducted the Postal Ballot exercise**

Mr. Rajendra Chouhan of M/s. R. Chouhan and Associates, Practicing Company Secretary (FCS: 5118 & COP No. 3726), was appointed as Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

2. Postal Ballot Notice dated 12<sup>th</sup> March, 2026 and the Date of Passing of the Resolution was 19<sup>th</sup> April, 2026:

Particulars of Resolution	Type of Resolution	Votes in favour of Resolution		Votes against the Resolution		Invalid votes
		No. of votes	% to total votes	No. of votes	% to total votes	
Approve the Sutlej Textiles and Industries Limited - Employee Stock Option Scheme 2026	Special	13,22,21,598	99.96	59,436	0.04	NIL

**Person who conducted the Postal Ballot exercise**

Mr. Rajendra Chouhan of M/s. CSM & Co., Practicing Company Secretaries (FCS: 5118 & COP No. 3726), was appointed as Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

**Procedure for postal ballot**

The postal ballots were carried out as per the provisions of Sections 108 and 110 of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), and Regulation 44 of the Listing Regulations, 2015, Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India (SS-2) read with the Circulars issued by the Ministry of Corporate Affairs from time to time.

**(iii) Details of unclaimed shares in terms of Regulation 39 of Listing Regulations, 2015**

Regulation 39(4) of the Listing Regulations, 2015 read with Schedule VI pertaining to "Manner of dealing with Unclaimed Shares", which came into effect from 1<sup>st</sup> December, 2015, has directed companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

All corporate benefits on such shares viz. bonus, etc. shall be credited to the Unclaimed Suspense Account as applicable for a period of seven years and will thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

The details of shares transferred to 'Unclaimed Suspense Account' of your Company during the year are as under:

Particulars	No. of folios	No. of shares
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01 <sup>st</sup> April, 2025	14	18,920
Shares transferred to Unclaimed Suspense Account during the year	0	0
Number of shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	2	8,310
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	2	2,120
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on 31 <sup>st</sup> March, 2026	10	8,490*

\*Voting Rights in respect of the aforesaid 8,490 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names.

**(iv) Suspense Escrow Demat Account**

As per the Circular(s) issued by SEBI, after due verification of the investor service requests received from the Members/Claimants, Letter of Confirmations ('LOCs') were issued in lieu of physical share certificate(s) by Companies/RTAs. The validity of such LOCs were 120 days from the date of issuance, within which the Member/Claimant was required to make a request to the Depository Participant (DP) for dematerializing the shares covered by the LOC. In case the demat request was not submitted within the aforesaid timeline of 120 days, companies were required to transfer such shares to SEDA opened by companies for this purpose.

The above process was followed till 31<sup>st</sup> March, 2026. Pursuant to SEBI circular dated 30<sup>th</sup> January, 2026, the above process has been simplified by dispensing with the requirement of issuance of LOC with effect from 2<sup>nd</sup> April, 2026. Accordingly, after processing the investor service requests with necessary due diligence, RTAs/listed companies shall credit the securities directly to the investor's demat account.

Members may reclaim the shares from the Company's SEDA by submitting the documentation prescribed by SEBI. Accordingly, the voting rights in respect of the shares transferred to SEDA shall remain frozen until the rightful owners thereof claim the shares.

**(v) General Shareholders' information**

**a) 21<sup>st</sup> Annual General Meeting:**

Date	27 <sup>th</sup> July, 2026
Day	Monday
Time	3.00 p.m.
Mode	Through video conference / other audio video means Registered Office: Pachpahar Road, Bhawanimandi 326 502 (Raj.) [Deemed Venue]

**b) Tentative financial calendar:**

Next financial year	1 <sup>st</sup> April, 2026 to 31 <sup>st</sup> March, 2027
First Quarter Results & Limited Review	mid August, 2026
Second Quarter Results & Limited Review	mid November, 2026
Third Quarter Results & Limited Review	mid February, 2027
Audited Annual Results (2026-27)	mid May, 2027

**(vi) Listing on Stock Exchanges and stock codes:**

The names of the Stock Exchanges on which the Company's equity shares are listed with the respective stock codes are as under:

Sr. No.	Name of the Stock Exchange	Stock Code
1	BSE Ltd. P. J. Towers, Dalal Street, Mumbai - 400 001	532782
2	National Stock Exchange of India Ltd. Exchange Plaza, Block G, C1, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	SUTLEJTEX

Listing fees for the year 2026-27 has been paid to the Stock Exchanges within the stipulated time.

**(vii) Corporate Identification Number**

Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is L17124RJ2005PLC020927.

**(viii) Distribution of shareholding**

The distribution of shareholding as on 31<sup>st</sup> March, 2026 was as follows:

Sr. No.	Number of Equity shares	Number of shares held	% of total shares
1.	Up to 1000	47,18,763	2.88
2.	1001 to 5000	54,52,756	3.33
3.	5001 to 10000	26,12,815	1.59
4.	10001 to 50000	56,82,909	3.47
5.	50001 to 100000	30,47,418	1.86
6.	100001 to 1000000	72,33,159	4.42
7.	1000001 to 5000000	1,84,16,270	11.24
8.	5000001 and above	11,66,64,530	71.21
	<b>TOTAL</b>	<b>16,38,28,620</b>	<b>100.00</b>

**(ix) Details of shareholding as on 31<sup>st</sup> March, 2026 was as under**

Sr. No.	Particulars	As on 31 <sup>st</sup> March, 2026	
		No. of shares	%
1.	Promoters / Promoter Group	10,47,78,660	63.96
2.	Financial Institutions / Banks / Mutual Funds / UTI / Insurance Cos. / NBFCs	40,300	0.02
3.	Central Government / State Government(s) / IEPF	14,12,920	0.86
4.	Indian Public :		
	a. Bodies Corporate - LLP	2,71,24,803	16.56
	b. Individuals / HUF / Trusts	2,79,39,174	17.05
	c. Stock Exchange / Clearing Members	36,523	0.02
5.	FII's and FPI's	17,13,802	1.05
6.	NRI / Foreign Nationals	7,73,948	0.47
7.	Unclaimed Shares/ Escrow Account	8,490	0.01
	<b>TOTAL</b>	<b>16,38,28,620</b>	<b>100.00</b>

**(x) Dematerialization of shares and liquidity**

The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited. The Company has an agreement with NSDL and CDSL for providing depository services for holding the shares in dematerialized mode. As a result, as on 31<sup>st</sup> March, 2026, 99.79% of the total equity share capital of the Company was held in dematerialized form. The Company has paid the requisite fees to all these authorities for the year 2026 - 27.

**(xi) Communication to Members**

As per circulars issued by SEBI from time to time, it is mandatory for holders of physical securities to furnish PAN, KYC and Nomination / Opt-out of Nomination details before getting any investor service request processed. Security holders holding securities in physical form, and who have not updated / submitted PAN, KYC or Nomination / Opt-out of Nomination, shall be eligible to receive dividend only through electronic mode with effect from 1<sup>st</sup> April, 2024.

Members who are yet to update details in their physical folios are, therefore, urged to furnish PAN, KYC and Nomination / Opt-out of Nomination by submitting the prescribed forms duly filled, to the RTA by email from their registered email id to investor.helpdesk@in.mprms.mufig.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to MUFG Intime India Private Limited at C-101,1<sup>st</sup> floor, Embassy 247, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

The Company has sent / will be sending individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 06<sup>th</sup> February, 2026.

Members may please note that SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 06<sup>th</sup> February, 2026 has mandated the companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal / exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website under the link :

<https://www.sutlejtextiles.com/pdf/ISR/FORM-ISR-4-Request%20for%20issue%20of%20Duplicate%20Certificate.pdf>

Members holding shares in physical form are requested to dematerialize their holding at the earliest to get inherent benefits of dematerialization and also considering that physical transfer of equity shares / issuance of equity shares in physical form has been disallowed by SEBI.

**(xii) Restriction on transfer of shares held in physical form**

The attention of members is drawn to SEBI Circular no. SEBI/LAD-NRO/GN/2018/24 dated 08<sup>th</sup> June, 2018 whereby companies have been directed not to effect transfer of securities unless the same are held in dematerialized form with a Depository.

Members holding shares in physical form are requested to dematerialize their holding at the earliest in case they want to effect any transfer of shares.

**(xiii) Share transfer system**

To expedite share transfer, authority has been delegated to the Stakeholders Relationship Committee of the Board. The Committee considers requests for transmission, issue of duplicate certificates, issue of certificates on split/consolidation / renewal, etc. and the same are processed and delivered within 15 days of lodgment, if the documents are complete in all respects. The

Company Secretary of the Company has also been authorised to approve requests for transmission, effecting change of name, etc. to expedite requests from members.

As per provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website through the weblink:

<https://www.sutlejtextiles.com/pdf/ISR/FORM-SH-13-Nomination%20Form.pdf>

Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

**(xiv) Special Window for lodgement of physical share transfer requests:**

SEBI vide its Circular dated 02<sup>nd</sup> July, 2025 and 06<sup>th</sup> February, 2026, has opened a special window, as per mandate, till 04<sup>th</sup> February, 2027, to facilitate lodgement of transfer requests executed before 01<sup>st</sup> April, 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents. Eligible members are requested to submit their transfer requests along with original share certificate(s), transfer deed(s) and other requisite documents before 04<sup>th</sup> February, 2027, to Company/RTA. Securities transferred through this mechanism shall be credited only in dematerialized form and will remain under a one year lock-in, during which they cannot be transferred, lien-marked, or pledged. The Company has communicated the opening of this special window through newspaper advertisements which are available on the website of Company at [www.sutlejtextiles.com](http://www.sutlejtextiles.com)

**(xv) Initiatives taken by IEPF Authority:**

The IEPF Authority launched a 100 day campaign, Saksham Niveshak in July 2025 to enhance investor awareness and expedite resolution of pending matters relating to unclaimed dividends, shares transferred to IEPF and updating of KYC & nomination details. In support of this initiative, the Company published newspaper advertisements urging Members to update their KYC and claim their unclaimed dividend(s). The Company's RTA also conducted a special drive to process unclaimed dividends, enabling payment of multiple

outstanding dividend(s) to members who updated their bank details.

The IEPF Authority has additionally introduced an integrated digital platform to streamline claim processes and improve grievance redressal, accessible here. Member/Claimant may also contact the Authority through the 24x7 Interactive Voice Response System ("IVRS") by dialing five-digit short code 14453. The IVRS support shall be available round the clock, while call centre can be reached from 9:30 a.m. to 5:30 p.m. (IST) Monday to Friday.

**(xvi) Address for Shareholders' Correspondence**

Members of the Company are requested to correspond with the RTA at the below given address on all matters relating to transmission, duplicate issue of shares, dematerialization of shares, payment of dividend and any other query relating to the equity shares of the Company.

**(xvii) Registrar and Transfer Agent**

The Company has appointed MUFG Intime India Private Limited, as Registrar & Share Transfer Agent (RTA) of the Company from 01<sup>st</sup> April, 2016 for handling share registry (physical and electronic modes). Accordingly, all correspondence, requests for transmission, demat / remat and other communication in relation thereto should be mailed / hand delivered to the said RTA directly at the following address:

**MUFG Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, Embassy 247,  
Lal Bahadur Shastri Marg, Vikhroli West,  
Mumbai 400 083.  
Phone: +91 8108116767  
Fax: 022 - 4918 6060  
E-mail: investor.helpdesk@in.mpms.mufig.com

**(xviii) Compliance Officer's Details**

Mr. Manoj Contractor  
Company Secretary and Compliance Officer  
seated at Mumbai office at:  
E Wing, 6<sup>th</sup> Floor, Lotus Corporate Park,  
Graham Firth Steel Compound,  
Jay Coach, Goregaon (East), Mumbai - 400 063.  
Tel: 022 - 4219 8800  
E-mail ID: manojcontractor@sutlejtextiles.com

**(xix) Investor Relations**

In order to facilitate investor servicing, the Company has designated an e-mail id - investor.relations@sutlejtextiles.com mainly for registering complaints by investors.

**(xx)** The Company has managed the foreign exchange risk arising from foreign currency transactions, with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposure relating to firm commitment. The Company is exposed to the risk of price fluctuations of its key raw materials, dyes and chemicals, etc. The Company manages its commodity price risk by maintaining adequate inventory of such raw materials, dyes and chemicals as per the policies of the Company. The Company does not undertake any commodity hedging activities.

**K. COMPLIANCE**

**(i) Statutory Compliance, Penalties and Strictures**

The Company continues to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any other statutory authorities for any violation related to capital market during the last three years.

**(ii) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity**

As on date there are no outstanding warrants or any convertible instruments. The Company has not issued GDRs/ADRs.

**(iii) Disclosure under Regulation 30 of the Listing Regulations, 2015 regarding certain agreements with media companies**

Pursuant to the requirement of Regulation 30 of the Listing Regulations, 2015, the Company would like to inform that no agreement(s) have been entered into with media companies and / or their associates which has resulted in / will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties / contracts / agreements / MoUs or similar instruments with media companies and / or their associates.

**(iv) Disclosure of certain types of agreements binding listed entities**

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

**(v) Certificate from Practicing Company Secretary**

The Company has obtained a certificate from its Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified by SEBI / Ministry of Corporate Affairs or any such statutory authority, from being appointed or acting to continue as a Director of the Company.

**L. INVESTOR SAFEGUARDS AND OTHER INFORMATION**

**(i) Dematerialization of Shares**

Shareholders are requested to convert their physical holdings to demat / electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

**(ii) Updation of Bank Account and Other Details for Electronic Payment of Dividend**

Electronic remittance of dividend ensures timely credit without the risk of loss or delay in postal transit. Shareholders holding shares in electronic (dematerialized) form are requested to register or

update their bank account details, PAN, KYC and nomination particulars directly with their respective Depository Participants (DPs). Shareholders holding shares in physical form are requested to furnish or update their bank account details, PAN, KYC and other particulars with the Company's Registrar and Share Transfer Agent (RTA) by submitting Form ISR-1, along with the requisite supporting documents, so as to enable the Company to remit dividends, if declared, directly to their bank accounts through electronic mode. Where the bank account details furnished require confirmation of signature, shareholders are additionally required to submit Form ISR-2, duly attested by their banker.

**(iii) Timely Encashment of Dividends**

Shareholders who have not yet registered their bank account details and other KYC particulars through Form ISR-1 (and Form ISR-2, wherever applicable) are requested to do so at the earliest to ensure timely and direct receipt of dividends, if declared, and to avoid the inconvenience of writing to Company's RTA thereafter for revalidation of dividend warrants.

**(iv) Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)**

Under the Act, dividends which remain unclaimed for a period of seven consecutive years are required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since 2018 - 19 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government, are given in the table below:

Financial Year ended	Date of Declaration of Dividend	Amount remaining unclaimed/unpaid as on 31.03.2026 (Rs.)	Last date for claiming unpaid Dividend amount (on or before)	Date when amount becomes due for transfer to IEP Fund
31.03.2019	22.08.2019	4,70,201.55	28.09.2026	28.10.2026
31.03.2020	16.09.2020	1,69,869.19	23.10.2027	22.11.2027
31.03.2021	31.08.2021	1,41,355.81	07.10.2028	06.11.2028
31.03.2022	30.08.2022	5,99,258.12	06.10.2029	05.11.2029
31.03.2023	21.08.2023	3,76,421.00	27.09.2030	27.10.2030

The members are once again requested to utilize this opportunity and get in touch with Company's RTA - MUFG Intime India Private Limited for encashing the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of seven years, no claims shall lie against the Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claim by the Company. Those

shareholders whose dividends are transferred to IEPF authority can claim their dividend from the concerned Authority in the prescribed manner.

**(v) Update Address / Bank Details**

To receive all communications / corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address / bank details with the respective DPs and in case of physical shares, the details have to be intimated to the RTA.

**(vi) Consolidation of Multiple Holdings (Physical Shares)**

Members holding equity shares in physical form under multiple folios in identical names are requested to consolidate their holdings into a single folio. Consolidation of holdings will facilitate better servicing of shareholding records, eliminate multiple communications, and ensure timely receipt of all future correspondence and corporate benefits.

For consolidation, members may submit a duly signed request letter to the Company's RTA - MUFG Intime India Private Limited, providing details of the folios to be consolidated. The request should be accompanied by the original share certificates pertaining to the relevant folios and such other documents as may be prescribed by the RTA. Consolidation will be effected subject to verification of the details and fulfillment of applicable requirements.

**(vii) Registered email address**

The Ministry of Corporate Affairs has taken steps to encourage a 'Green Initiative in Corporate Governance' by issuing various circulars whereby companies are permitted to send Notice / documents including Annual Report in electronic mode (hereinafter 'Documents'), provided the company has obtained email address of its members for sending these Documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email addresses along with the details such as name, address, folio no., no. of shares held to the RTA - MUFG Intime India Private Limited.

In respect of shares held in electronic form, the email address along with DP ID / Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective DP's. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form to such shareholders.

**(viii) Addresses for correspondence****Sutlej Textiles and Industries Limited**

Pachpahar Road, Bhawanimandi - 326 502 (Rajasthan).  
Telephones: 07433 - 222052 / 222082 / 222090  
Fax: 07433 - 222354  
E-mail: investor.relations@sulejtextiles.com

**MUFG Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, Embassy 247,  
Lal Bahadur Shastri Marg, Vikhroli West,  
Mumbai 400 083.  
Phone: +91 8108116767  
Fax: 022 - 4918 6060  
E-mail: investor.helpdesk@in.mpms.mufig.com

**(ix) Location of the Plants**

Units	Location	Products
Chenab Textile Mills	Kathua 184 102 (Jammu & Kashmir)	Cotton and Manmade Fibre Yarn
Rajasthan Textile Mills	Pachpahar Road, Bhawanimandi 326 502 (Rajasthan)	
Birla Textile Mills	Baddi, Solan, 173 205 (Himachal Pradesh)	
Damanganga Home Textiles	Village Daheli, Near Bhilad, Umbergaon, District: Valsad, 396 105 (Gujarat)	Home Textiles
Sutlej Green Fibres (Birla Textile Mills Unit II)	Baddi, Solan, 173 205 (Himachal Pradesh)	Recycled Polyester Staple Fibre

# CEO & CFO Certificate

[As required under Regulation 17(8) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

Date: 23<sup>rd</sup> April, 2026

To  
The Board of Directors  
**Sutlej Textiles and Industries Limited**  
Bhawanimandi - 326502 (Raj.)

We hereby certify to the Board that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2026 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Sutlej Textiles and Industries Limited**

Sd/-  
**(Ashishkumar Srivastava)**  
Wholetime Director & CEO  
DIN 06527942

**For Sutlej Textiles and Industries Limited**

Sd/-  
**(Sachin J. Karwa)**  
Chief Financial Officer  
M. No. 115188

# Declaration under Regulation 26 of the Listing Regulations, 2015

From  
**Ashishkumar Srivastava**  
**Sutlej Textiles and Industries Limited**  
Mumbai

To  
**Sutlej Textiles and Industries Limited**  
Pachpahar Road,  
Bhawanimandi - 326502  
Rajasthan

## DECLARATION OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company pursuant to Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31<sup>st</sup> March, 2026.

Place: Mumbai  
Dated: 29<sup>th</sup> April, 2026

Sd/-  
**Ashishkumar Srivastava**  
Wholetime Director & CEO  
DIN 06527942

# Auditor's Certificate on Corporate Governance

To,  
The Members,  
**Sutlej Textiles and Industries Limited**  
CIN: L17124RJ2005PLC020927  
Pachpahar Road, Bhawanimandi,  
Jhalawar, Rajasthan.

We have examined the compliance of conditions of Corporate Governance by Sutlej Textiles and Industries Limited ('the Company'), as stipulated under Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the financial year ended **31<sup>st</sup> March, 2026**.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended **31<sup>st</sup> March, 2026**.

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

**For CSM & CO.**  
**COMPANY SECRETARIES**  
(ICSI Unique Code: P2025RJ105300)  
PEER REVIEW NO. 6668/2025

Place: Jaipur  
Date: 05.05.2026  
UDIN: F005118H000277720

Sd/-  
**Rajendra Chouhan**  
Partner  
FCS No. 5118, C P No.: 3726

# Certificate of Non-Disqualification of Directors

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

To  
**Sutlej Textiles and Industries Limited**  
Pachpahar Road, Bhawanimandi,  
Jhalawar - 326502, Rajasthan.

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Sutlej Textiles and Industries Limited, having CIN: L17124RJ2005PLC020927 having its registered office at Pachpahar Road, Bhawanimandi, Jhalawar, Rajasthan (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, Sub-clause 10 (i) of the Securities and Exchange Board of India (LODR) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications conducted [including Director Identification Number (DIN) status on the MCA portal ([www.mca.gov.in](http://www.mca.gov.in))] and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company listed below for the financial year ending 31.03.2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment in the Company	Date of Cessation from the Company
1	Mr. Chandra Shekhar Nopany	00014587	19/09/2006	-
2	Mrs. Sonu Halan Bhasin	02872234	07/05/2015	06.05.2025
3	Mr. Rohit Rajgopal Dhoot	00016856	25/10/2017	-
4	Mr. Ashok Mittal	00016275	05/02/2019	-
5	Mr. Sameer Ambarish Kaji	00172548	09/05/2024	-
6	Ms. Deepa Kapoor	06828033	09/05/2024	-
7	Mr. Arhant Vikram Nopany	07863206	09/05/2024	-
8	Mr. Ashishkumar Hari Mohan Srivastava	06527942	24/03/2025	-

1. Mr. Chandra Shekhar Nopany ceased to hold office as Whole-time Director of the Company with effect from 31<sup>st</sup> July, 2025. Subsequently, he was appointed as Managing Director of the Company with effect from 1<sup>st</sup> August, 2025, in accordance with the applicable provisions.
2. Mrs. Sonu Halan Bhasin ceased to be an Independent Director of the Company with effect from 6<sup>th</sup> May, 2025, upon completion of her second consecutive term, in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations.

3. Mr. Ashishkumar Hari Mohan Srivastava was appointed as an Additional Director and Whole-time Director (designated as Whole-time Director and Chief Executive Officer) of the Company with effect from 24<sup>th</sup> March, 2025. His appointment was subsequently regularized by the Members of the Company through resolutions passed by way of Postal Ballot on 1<sup>st</sup> May, 2025.

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

**For CSM & CO.**  
**COMPANY SECRETARIES**  
(ICSI Unique Code: P2025RJ105300)  
PEER REVIEW NO. 6668/2025

Place: Jaipur  
Date: 05.05.2026  
UDIN: F005118H000277808

Sd/-  
**RAJENDRA CHOUHAN**  
PARTNER  
FCS No. 5118, C P No.: 3726

## Annexure-IV

## Annual Report on CSR Activities

## 1. Brief outline on CSR Policy of the Company:

The CSR initiatives of the Company are undertaken with people at the core of all our activities. The focus areas identified by the Company for its CSR activities are education, development of rural infrastructure and social welfare, conservation of environment, animal welfare, health and sanitation, promotion of sports and cultural activities.

The Company is committed to building a sustainable enterprise for the benefit of its present and future generation of stakeholders. The Company shall integrate and follow responsible practices in its business strategies and operations, to manage the three challenges - economic prosperity, social development and environmental integrity.

## 2. Composition of the CSR Committee

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Sonu H. Bhasin*	Chairperson / ID	2	1
2.	Ms. Deepa Kapoor**	Chairperson / ID	2	2
3.	Mr. Rohit Dhoot	Member / ID	2	2
4.	Mr. Sameer Kaji	Member / ID	2	2

ID - Independent Director

\* Mrs. Sonu H. Bhasin ceased as Chairperson and member of the Corporate Social Responsibility (CSR) Committee w.e.f. 06<sup>th</sup> May, 2025.

\*\*Ms. Deepa Kapoor was appointed as Chairperson of CSR Committee w.e.f. 06<sup>th</sup> May, 2025.

3. The weblink where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

These details are disclosed on the Company's website at [www.sutlejtextiles.com](http://www.sutlejtextiles.com).

<https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: N. A.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:

(Rs. in lakhs)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	2024-25	4.45	-

6. Average net profit of the Company as per Section 135(5): Rs. (6,727) lakhs
7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. (134.54) lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a + 7b - 7c): Nil

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
Rs. 42.06 lakhs	Nil	N. A.	N. A.	Nil	N. A.

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

(Rs. in lakhs)

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. in lakhs)

(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Contributed to Police Martyrs North Zone T-20 Cricket Tournaments	Promotion of Sports Activities	Yes	Kathua, J&K		3.83	Yes	N.A.	N.A.
2	Installation of deep bore well at the cremation ground in village Jakhbar	Rural Development and Social Welfare	Yes	Kathua, J&K		2.05	Yes	N.A.	N.A.
3	Construction of flooring at Baga Talab, Panchayat Pandrar		Yes	Kathua, J&K		4.71	Yes	N.A.	N.A.
4	Construction of public shed at Jodh, Jauthana		Yes	Kathua, J&K		4.63	Yes	N.A.	N.A.
5	Provided traffic road barriers		Yes	Kathua, J&K		3.74	Yes	N.A.	N.A.
6	Construction of public shed at Panchayat Khanyara, Block Keerian Gandyal		Yes	Kathua, J&K		4.92	Yes	N.A.	N.A.
7	Distributed t-shirts and caps to create awareness to combat pollution		No	Jaipur, Rajasthan		2.51	Yes	N.A.	N.A.

(Rs. in lakhs)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4)		(6) Amount spent for the project	(7) Mode of Implementation - Direct (Yes/No)	(8)		
			Local area (Yes/No)	Location of the project			Mode of Implementation - Through Implementing Agency		
				State			District	Name	CSR Registration number
8	Undertook tree plantation		Yes	Bhawanimandi, Rajasthan	0.42	Yes	N.A.	N.A.	
9	Repair of faulty hand pump - 40 units		Yes	Jhalawar, Rajasthan	4.80	Yes	N.A.	N.A.	
10	Construction of roof at Piplodi School, Manoharthana		Yes	Jhalawar, Rajasthan	5.00	Yes	N.A.	N.A.	
11	Contribution for Cotton Development and Extension activities for the year 2025-26		Yes	Jhalawar, Rajasthan	0.14	No	Through Citi Cotton Development and Research Association	CSR00006775	
12	Provided drinking water facility at railway station		Yes	Bhawanimandi, Rajasthan	1.30	Yes	N.A.	N.A.	
13	Sponsorship of World Environment Day and Festival of Education organized by Rajasthan Environment & Energy Conservation Centre	Promotion of Education	No	Jaipur, Rajasthan	3.00	Yes	N.A.	N.A.	
14	Donation to Ek Shikshak Ek Vidhyalaya - Ekal Vidyalala Movement		Yes	Kathua, J&K	1.01	No	Through Mata Vaishno Devi Lok Sewa Trust	CSR00015452	
	TOTAL				42.06				

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N. A.

(f) Total amount spent for the financial year (8b + 8c + 8d + 8e): Rs. 42.06 lakhs

(g) Excess amount for set off, if any: Rs. 46.51 lakhs (including Rs. 4.45 lakhs from previous years)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	0
(ii)	Total amount spent for the financial year	42.06
(iii)	Excess amount for the financial year [(ii) - (i)]	42.06
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii) - (iv)]	42.06

Note: Total amount available for set off in succeeding financial years is Rs. 42.06 lakhs from FY 2025-26 and Rs. 4.45 lakhs from FY 2024-25, aggregating to Rs. 46.51 lakhs.

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
-	-	-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project – Completed / Ongoing
-	-	-	-	-	-	-	-	-

10. Details relating to the asset created or acquired through CSR spent in the financial year (asset-wise details): N. A.

- (a) Date of creation or acquisition of the capital asset(s): N. A.
- (b) Amount of CSR spent for creation or acquisition of capital asset: N. A.
- (c) Details of the entity or public authority or beneficiary under whose name capital asset is registered, their address: N. A.
- (d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N. A.

11. Reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

Sd/-  
**Ashishkumar Srivastava**  
 Wholetime Director & CEO  
 DIN: 06527942

Sd/-  
**Deepa Kapoor**  
 Chairperson  
 CSR Committee  
 DIN: 06828033

## Annexure - V

## Business Responsibility and Sustainability Report

## SECTION A- GENERAL DISCLOSURES

## I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the listed entity** - L17124RJ2005PLC020927
2. **Name of the listed entity** - SUTLEJ TEXTILES AND INDUSTRIES LIMITED
3. **Year of incorporation** - 2005
4. **Registered office address** - Pachpahar Road, Bhawanimandi, Jhalawar, Rajasthan - 326 502
5. **Corporate address** - E-601, Lotus Corporate Park, 185/A, Graham Firth Compound, Goregaon East, Mumbai 400 063.
6. **E-mail** - hoffice@sutlejtextiles.com
7. **Telephone** - 07433-222052/082
8. **Website** - www.sutlejtextiles.com
9. **Financial year for which reporting is being done** - 2025-26
10. **Name of the Stock Exchange(s) where shares are listed** - BSE Limited and National Stock Exchange of India Limited
11. **Paid-up Capital** - Rs. 16,38,28,620/-
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** -  
**Name:** Shrishti Gadia, Sustainability Lead  
**Telephone No.:** 022-4219 8800  
**Email ID:** shrishtigadia@sutlejtextiles.com
13. **Reporting boundary** - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) - Standalone Basis
14. **Name of assurance provider** - N. A.
15. **Type of assurance obtained** - N. A.

## II. Products / Services

## 16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Cotton; Cotton melange; Synthetic and Synthetic Blended yarns	Manufacturer & Trading	76.4
2	Recycled Polyester Staple Fibre	Manufacturer	13.02
3	Weaving Fabrics - Home Textiles	Manufacturer	5.44
4	Knitted Fabrics - Cotton & Synthetics	Manufacturer	0.53

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Preparation and spinning of man-made fibre including blended man-made fibre	13114	63.24
2	Preparation and spinning of cotton fibre including blended cotton	13111	22.03
3	Recycled Polyester Staple Fibre	20302	14.72

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	5	8	13
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of Countries)	63

b. What is the contribution of exports as a percentage of the total turnover of the entity?  
35%

c. A brief on types of customers

The Company is present in two major yarn segments i.e. Cotton Melange and Synthetic Dyed Yarn. Cotton Melange Yarn is mostly marketed and sold to garment exporters for end use in knitting fabric, while the PV-dyed yarn is used for manufacturing suiting fabric. 100% Poly Dyed Yarn is used for sweater making and PA Dyed Yarn is used for dress material and saree manufacturing. Home Textile products i.e. upholstery and curtains are sold in the B2B and B2C segments.

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent (D)	1,397	1,327	94.98%	70	5.02%
2	Other than Permanent (E)	84	75	89.28%	9	10.72%
3	Total employees (D + E)	1,481	1,402	94.66%	79	5.34%
<b>Workers</b>						
1	Permanent (F)	11,315	9,038	79.87%	2,277	20.13%
2	Other than Permanent (G)	2,695	2,059	76.40%	636	23.60%
3	Total Workers (F + G)	14,010	11,097	79.20%	2,913	20.80%

## b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	1	1	100%	0	0%
<b>Differently Abled Workers</b>						
1	Permanent (F)	41	40	97.6%	1	2.4%
2	Other than Permanent (G)	0	0	0%	0	0%
3	Total Workers (F + G)	41	40	97.6%	1	2.4%

## 21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14.29%
Key Management Personnel	3	0	0.00%

## 22. Turnover rate for permanent employees and workers:

Particulars	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.05	19.11	21.91	26.87	20.69	26.62	22.60	24.00	22.65
Permanent Workers	36.69	36.44	36.65	47.29	39.91	45.94	43.69	19.33	39.48

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 23. (a) Names of holding / subsidiary / associate companies / joint ventures:

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sutlej Holdings, Inc.	Subsidiary	100	No
2	American Silk Mills, LLC	Step down subsidiary	100	No

## VI. CSR Details

## 24. Provide the following CSR details

- i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes
- ii) Turnover (in Rs.) -Rs. 25,656,819,772 /-
- iii) Net worth (in Rs.) -Rs. 8,199,869,152 /-

## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		0	0	Nil	6	0	All complaints have been resolved satisfactorily
Investors (other than shareholders)		0	0	Nil	0	0	Nil
Shareholders	Yes. The link can be accessed at: <a href="https://www.sutlejtextiles.com/pdf/Policies%20&amp;%20Codes/GrievanceRedressalPolicy.pdf">https://www.sutlejtextiles.com/pdf/Policies%20&amp;%20Codes/GrievanceRedressalPolicy.pdf</a>	2	0	All complaints have been attended to and resolved satisfactorily	0	0	Nil
Employees and workers		0	0	Nil	0	0	Nil
Customers		339	0	All complaints have been attended to and resolved satisfactorily	488	0	All complaints have been attended to and resolved satisfactorily
Value Chain partners		0	0	Nil	0	0	Nil

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Greenhouse Gas Emissions & Energy Management	Risk	Textile manufacturing is energy intensive and dependent on fossil-based energy. Increasing climate regulations, carbon pricing mechanisms, energy cost volatility and stakeholder expectations may impact operational costs and competitiveness.	We are continuously expanding our renewable energy portfolio through rooftop solar and captive/open access procurement. We have annual energy conservation plans, we undertake energy audits, optimize processes, undertake continuous equipment modernization and fuel substitution initiatives at all our units. We regularly monitor emissions and energy performance across all our units. We continue to focus on efficient energy utilization through process and machinery optimization, adoption of advanced technologies, regular energy audits, waste heat recovery systems and timely maintenance practices. During FY 2025-26, several energy conservation initiatives including installation of VFDs, energy-efficient motors, FRP fans, compressor replacement and automation systems were implemented. Electricity consumption per tonne of yarn reduced from 3,007 units in FY 2024-25 to 2,926 units in FY 2025-26 and coal consumption per tonne of yarn reduced from 0.373 tonnes to 0.327 tonnes.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Water Management	Opportunity	<p>The Company has embraced reducing its environmental footprint and improving energy efficiency as part of its sustainability strategy. Continuous investment in energy-efficient technologies reduces energy consumption, greenhouse gas emissions and operating costs. During FY 2025-26, purchased electricity consumption reduced from 4,510.45 lakh units to 4,398.49 lakh units and diesel-based power generation reduced from 4.72 lakh units to 1.62 lakh units. These initiatives enhance operational efficiency and cost competitiveness.</p> <p>Water is a key part of the textile business, with every step in the manufacturing process being water intensive. Thus water scarcity is a risk that can significantly affect business continuity and profits.</p>	-	Positive
		Risk		<p>We mitigate this risk by conducting awareness programmes and installing efficient technologies. We aim to recycle as much waste water as possible. We currently have two fully operational Zero Liquid Discharge Plants, which have 90% water recovery. We have rain water harvesting facilities at all our plant locations. Process optimization, steam recovery systems, wastewater recycling and groundwater recharge initiatives further strengthen water security and operational resilience.</p> <p>At our DGHT facility, we plan to optimize VDR machines by controlling condensate water temperature which is expected to result in savings of 1,825 MT steam and of Rs. 23.70 lakhs per annum.</p>	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Risk	Textile manufacturing generates hazardous and non-hazardous waste which, if not managed appropriately, can have environmental, regulatory and reputational implications.	The Company follows a waste management framework based on circular economy principles with emphasis on reduction, reuse, recycling and recovery. It has a waste management policy based on the 5 R's, and SOPs that are adhered to at all of its locations. Waste segregation practices are implemented across locations with an emphasis on reclamation rather than disposal and most waste streams are channelled for reuse and recycling. We ensure that the dyes and chemicals in dye house are Azo free, NPEO and APEO phenyls, formaldehyde free (Oeko-Tex and GOTS certified).	Negative
		Opportunity	Resource recovery and recycling initiatives help reduce disposal costs, improve resource efficiency and support the Company's circular economy objectives.	-	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Sustainable Raw Material Sourcing	Risk	Availability and pricing of cotton and other natural fibres may be impacted by climate variability, water stress and supply chain disruptions. Additionally, increasing customer expectations around sustainable sourcing and traceability present evolving risks.	The Company maintains a diversified raw material portfolio comprising cotton, recycled fibres and polyester-based products. Backward integration through the Suttlej Green Fibre business, which recycles post-consumer PET bottles into recycled polyester staple fibre, enhances supply security and reduces dependence on virgin raw materials. Our manufacturing unit in Baddi dedicated to manufacturing green fibre has a capacity of 120 MT / day.	Negative
5	Diversity, Equity & Inclusion (DEI)	Opportunity	The Company is committed to promoting diversity and inclusion in the workplace to create a harmonious workplace for all employees. Promoting DEI in the workplace leads to better employee engagement which not only enhances productivity and reduces attrition, but also allows the Company to access a wider talent pool.	-	Positive
6	Employee Well Being	Opportunity	One of the top HR priorities at Suttlej is to protect the well-being of its employees as well as their families. The Company conducts several health and wellness programmes for its employees on a periodic basis.	-	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Training & Development	Opportunity	<p>Providing training and development opportunities to our workforce increases employee engagement, creates a richer workplace, and empowers employees to take on initiatives to strengthen the business. Sutlej has been investing in formal, informal as well as on the job training for its employees, which has led to increased efficiency and retention as well.</p>	-	Positive
8	Occupational Health & Safety	Risk	<p>Manufacturing operations involve operational and workplace hazards that may result in injuries, disruptions and regulatory consequences if not managed effectively.</p>	<p>The Company maintains robust occupational health and safety management systems supported by ISO 45001 certification. Regular safety audits, employee training, occupational health assessments, preventive maintenance programmes and emergency preparedness measures are implemented across facilities.</p>	Negative
9	Community Relations & Engagement	Opportunity	<p>Sutlej is committed to being a socially responsible Company, and CSR is a core part of our business strategy. Our aim is to create a sustainable way of life for everyone, and provide holistic development opportunities for the communities where we work. We support several projects in the domain of education, health and sanitation, rural development, animal welfare, sports, etc.</p>	-	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Product Safety, Quality and Customer Satisfaction	Opportunity	Product quality, innovation and customer satisfaction are critical drivers of business success. The Company operates advanced testing laboratories equipped with technologies such as Uster Evenness Testers, Quantum Systems, AFIS and other modern testing equipment to ensure high quality standards. Continuous product innovation and quality enhancement strengthen customer confidence and market competitiveness.	-	Positive
11	Supply Chain Management	Risk	Textile companies often have complex and fragmented supply chains which can often be prone to disruptions. In addition, not following ethical and sustainable practices can lead to reputational risks as well as financial loss.	We have robust and transparent supply chain management practices where we conduct proper due diligence to identify risks and vulnerabilities. In addition, we are strongly focused on sustainable and ethical procurement, and are accredited with international standards to ensure that our supply chain management practices are in line with global standards.	Negative

## SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

### Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes				
b. Has the policy been approved by the Board? (Yes/No)					Yes				
c. Web Link of the Policies, if available		<a href="http://sutlejtextiles.com/pdf/Policies%20&amp;%20Codes/Business-Responsibility-Policy.pdf">http://sutlejtextiles.com/pdf/Policies%20&amp;%20Codes/Business-Responsibility-Policy.pdf</a>							
2. Whether the entity has translated the policy into procedures. (Yes/No)					Yes				
3. Do the enlisted policies extend to your value chain partners? (Yes/No)					No				
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusteal standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	We are committed to maintaining the highest standards of ethics, transparency and accountability. The Company has established robust governance, quality and social accountability systems supported by	Sustainability is embedded within our products and manufacturing processes. Our manufacturing units holds globally recognised certifications including Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycled Standard (GRS), Recycled Claim Standard (RCS),	Employee welfare, workplace safety and social accountability are integral to our operations. Our facilities are certified under SA8000:2014 and ISO 45001:2018 Occupational Health and Safety Management Systems. Additional independent evaluations through SMETA	-	Respect for human rights is embedded within our policies and management systems. The Company's approach is supported through SA8000:2014, ISO 45001:2018, SMETA, HIGG FSLM Verification, and customer social compliance	Environmental stewardship is a key pillar of Sutlej's sustainability strategy. Our manufacturing locations hold certifications including ISO 14001:2015 Environmental Management Systems, ISO 50001:2018 Energy Management Systems, GOTS,	The Company actively participates in industry forums and trade associations including FICCI, CII, TEXPROCIL, FIEO, MATEXIL, and IMC Chamber of Commerce and Industry, which provide platforms for responsible	Sutlej's community development initiatives are implemented in accordance with the provisions of Section 135 of the Companies Act, 2013. Certifications such as SA8000:2014 and Fairtrade further reinforce our commitment	The Company is committed to delivering high-quality, safe and sustainable products to its customers. This commitment is supported through ISO 9001:2015, OEKO-TEX® Standard 100, GOTS, OCS, GRS, RCS, IS 17265:2023, Egyptian

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	certifications including ISO 9001:2015 for Quality Management Systems and SA8000:2014 for Social Accountability Management Systems. In addition, our facilities undergo independent assessments through SMETA, HIGG FSLM Verification, and customer-specific social compliance audits, including assessments conducted by global brands.	OEKO-TEX® Standard 100, OEKO-TEX® Organic Cotton, Responsible Wool Standard (RWS), Sustainable Regenerated Cellulosics Content Standard (SRCCS), Fairtrade, Better Cotton Cotton Trademark Certification, and IS 17265:2023. These certifications support responsible sourcing, product traceability, recycled content verification and consumer safety.	and HIGG FSLM Verification reinforce our commitment to fair labour practices, worker well-being and responsible workplace management.		audits, which collectively promote ethical employment practices, worker rights, non-discrimination, freedom of association and safe working conditions.	GRS, RCS, OCS, Better Cotton (BCI), Fairtrade, Regenagri Content Standard, Forest Stewardship Council (FSC), Responsible Wool Standard (RWS) and SRCCS. These certifications support responsible resource management, sustainable agriculture, circular economy practices, renewable raw materials and environmental protection.	engagement on industry development, sustainability, trade and policy matters.	to social responsibility, community welfare, ethical sourcing and inclusive development.	Cotton Trademark Certification and other product-specific certifications that ensure quality, safety, traceability and responsible manufacturing practices.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We have established a structured sustainability roadmap aligned with our long-term vision of responsible growth, climate resilience, resource efficiency and stakeholder value creation. We have identified measurable Environmental, Social and Governance (ESG) targets with defined timelines to guide our sustainability journey.								
	<b>Pillar</b>	<b>Focus Area</b>	<b>Commitment / Target</b>	<b>Timeline</b>					
	<b>Environment</b>	Renewable Energy	Achieve ≥40% renewable energy share, ≥25% by FY 28	FY 2029-30					
		Biofuel Transition	100% biofuel-based boiler	FY 2029-30					
		Water Stewardship	≥25% fresh water reduction	FY 2029-30					
		Chemical Management	Achieve 100% compliance with ZDHC MRSL requirements	FY 2028-29					
		Waste to Landfill	Achieve zero hazardous waste sent to landfill through recycling, co-processing and waste-to-energy initiatives	FY 2029-30					
		Sustainable Cotton / Sustainable Raw Materials	≥50% certified cotton / ≥70% Sustainable RM mix	FY 2029-30					

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Pillar	Focus Area	Commitment / Target						Timeline
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	<b>Climate Action</b>	Scope 1 & 2 Emissions	Reduce Scope 1 and Scope 2 greenhouse gas emission intensity by $\geq 30\%$ from FY 2024-25 baseline						FY 2029-30
		Scope 3 Emissions	Complete Scope 3 emissions inventory and establish reduction roadmap						Inventory by FY 2026-27; $\geq 15\%$ reduction by FY 31
		Science Based Targets	Submit Science Based Targets initiative (SBTi) commitment and pursue target validation						Commitment: FY 2026-27; Validation: FY 2028-29
		Gender Diversity	Increase women's representation in the workforce to $\geq 30\%$ , including supervisory and managerial roles						FY 2029-30
		Occupational Health & Safety	Maintain zero fatalities and achieve LTIFR of $\leq 0.5$						FY 2027-28
		Training	Achieve a minimum of four training hours per employee per month covering technical, safety, leadership and ESG topics						FY 2028-29
		Community / CSR	Continue to meet or exceed statutory CSR obligations while enhancing measurable impact in education, healthcare and livelihood development						Ongoing; Measurable impact KPIs by FY 30
		Supply Chain Transparency	Complete ESG-based mapping and risk assessment of $\geq 90\%$ Tier-1 suppliers and $\geq 50\%$ Tier-2 suppliers						FY 2027-28
		Responsible Sourcing	Conduct annual ESG assessments of 100% critical suppliers						FY 2028-29
		Supplier Governance	Develop and implement a Supplier Code of Conduct						FY 2026-27
	Digital Twin Deployment	$\geq 2$ units by FY 28; all major units by FY 31						FY 2030-31	
	<p>The Company periodically reviews these commitments through its governance and sustainability oversight mechanisms and may refine targets based on technological advancements, stakeholder expectations, regulatory developments and business requirements.</p> <p>FY 2024-25 has been established as the baseline year for the Company's environmental, social and governance (ESG) commitments, goals and targets. Based on the baseline performance, the Company has defined sustainability objectives across key material topics including climate action, energy efficiency, water stewardship, waste management, sustainable sourcing, employee well-being, diversity and governance.</p> <p>To ensure effective implementation, the Company is instituting a structured ESG performance management framework comprising defined key performance indicators (KPIs), periodic reviews, and clear accountability mechanisms across business units and functions. Progress against the approved targets will be monitored at regular intervals and reviewed by senior management to ensure alignment with the Company's sustainability strategy and long-term business objectives.</p> <p>Performance of individual manufacturing locations and functions will be assessed against the targets established using FY 2024-25 as the baseline. Where progress is below the planned trajectory, the Company will undertake root-cause assessments and implement corrective action plans to address gaps and accelerate improvement.</p>								

Governance, leadership and oversight	P1	P2	P3	P4	P5	P6	P7	P8	P9
<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</p>	<p>Dear Stakeholders,</p> <p>The textile industry stands at a defining moment. As global expectations around climate action, responsible sourcing, transparency and social accountability continue to evolve, businesses are expected to create value that extends beyond financial performance. At Sutlej, we view these expectations not as challenges alone, but as opportunities to build a more resilient, responsible and future-ready organisation.</p> <p>During FY 2025-26, we continued to strengthen our sustainability foundations while navigating a dynamic operating environment characterised by climate-related uncertainties, evolving customer expectations, resource constraints and increasing regulatory requirements. Simultaneously, ensuring employee well-being, fostering inclusive growth and maintaining the highest standards of governance continue to be critical priorities.</p> <p>Our response to these challenges is guided by a simple belief - that sustainable growth can only be achieved when environmental stewardship, social responsibility and business performance advance together.</p> <p>During the year, we made meaningful progress across our ESG agenda. We strengthened our circularity efforts through our backward-integrated Green Fibre facility, which operated at full capacity utilisation and recycled millions of PET bottles each day into value-added products. Our water stewardship initiatives continued to focus on reducing freshwater dependence through Zero Liquid Discharge systems, rainwater harvesting and water recycling. We advanced energy efficiency through Kaizen-led improvements, process optimisation and investments in cleaner technologies, while continuing our transition towards renewable energy and alternative fuels.</p> <p>Equally important has been our investment in people. Through structured training and capability-building programs, occupational health and safety initiatives, employee welfare measures and community development projects, we have continued to create opportunities for growth both within and beyond our factory gates. Our commitment to ethical business conduct, responsible sourcing and transparent governance remains unwavering and is supported by a comprehensive framework of policies, management systems and Board oversight.</p> <p>Recognising the urgency of climate action and sustainable development, we have established a set of ambitious sustainability goals for 2030. These include increasing renewable energy adoption, transitioning to biofuels, reducing freshwater withdrawal, eliminating hazardous waste to landfill, expanding sustainable cotton sourcing, improving gender diversity, enhancing supply chain transparency and reducing greenhouse gas emission intensity. We also intend to strengthen our climate governance by progressing towards Science Based Targets (SBTi) alignment and expanding our understanding of Scope 3 emissions across the value chain.</p> <p>While we are proud of the progress made, we recognise that sustainability is a journey of continuous improvement. The challenges ahead require collaboration across our entire ecosystem - employees, customers, suppliers, financial institutions, investors, communities and policymakers. We remain committed to engaging openly with all stakeholders and integrating their perspectives into our decision-making processes.</p> <p>As we move forward, our focus will remain on building long-term resilience, accelerating innovation and creating shared value. Guided by our values and strengthened by the trust of our stakeholders, we will continue to advance our sustainability journey with purpose and accountability.</p> <p>For over seven decades, the trust of our people, customers, partners and communities has been the foundation of our success. As we look ahead, we remain committed to honouring that trust.</p> <p>Ashish Kumar,  Wholetime Director &amp; CEO</p>								

Governance, leadership and oversight		P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Corporate Social Responsibility Committee of the Board. 1. Ms. Deepa Kapoor, Chairperson (DIN 06828033) 2. Shri Rohit Dhoot, Member (DIN 00016856); and 3. Shri Sameer Kaji, Member (DIN 00172458).								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Corporate Social Responsibility Committee of the Board.								

**10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Management Team updates the Wholetime Director									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Corporate Social Responsibility Committee									Annually								

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

Sr. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No								

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)						NA			
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable



### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	4	The Board was sensitised on key sustainability and governance developments including principles of the National Guidelines on Responsible Business Conduct (NGRBC), climate-related risks and opportunities, ESG regulations and disclosures, stakeholder expectations, responsible supply chains, climate transition planning, biodiversity and water stewardship and the Company's Sustainability Roadmap 2030. These programmes enhanced the Board's ability to provide strategic oversight on sustainability risks, opportunities and long-term value creation.	100%
Key Managerial Personnel	7	Training programmes covered NGRBC principles, ESG reporting and disclosure requirements, BRSR and emerging regulatory developments, climate action and decarbonisation strategies, occupational health and safety, water stewardship, circular economy practices, sustainable sourcing, supply chain due diligence, enterprise risk management, internal controls, ethical business conduct and policy updates. The programmes strengthened leadership capabilities to integrate sustainability considerations into business planning, operational decision-making and risk management processes.	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	270	Training programmes covered ethical business conduct, workplace ethics, NGRBC principles, Performance Management System (PMS), quality management systems (ISO 9001, GRS, GOTS and other management standards), environmental management, energy and water conservation, waste management, biodiversity, occupational health and safety, first aid, fire safety, emergency preparedness, personal protective equipment (PPE), POSH, stress management, communication and leadership skills, team building, workplace discipline, process improvement, machine operations, cybersecurity and security awareness. These programmes enhanced employees' technical and behavioural competencies, strengthened compliance with statutory and management system requirements, improved operational efficiency and quality, promoted a safe and healthy workplace, and reinforced responsible environmental and ethical business practices across the organisation.	65.22%
Workers	1104	Training programmes focused on workplace health and safety, fire prevention and emergency response, first aid, PPE usage, machine and equipment safety, standard operating procedures (SOPs), electrical and mechanical safety, chemical handling, environmental protection, waste management, energy and water conservation, quality and management system awareness (ISO, GRS, GOTS, SA 8000 and BSCI), process-specific operational skills, responsible workplace behaviour, POSH awareness, health and hygiene, and substance abuse awareness. The programmes strengthened workers' safety culture, improved operational discipline and productivity, enhanced compliance with quality, environmental and social standards, reduced operational risks, and promoted responsible resource utilisation and continuous improvement across manufacturing operations.	85.14%

2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

**Monetary**

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

## Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-	
Punishment	-	-	-	-	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Sr. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Sutlej Textiles has a zero-tolerance policy for bribery and corruption in any form at all levels and dealings. We believe in conducting our business with integrity, responsibility, transparency and honesty. Anti-bribery and Anti-corruption policies are part of our Code of Conduct which inter alia provides guidance on ethical conduct and fair dealing in our business practices. The Code of Conduct can be accessed through the weblink:

<https://www.sutlejtextiles.com/pdf/Policies%20%20Codes/Code%20of%20Conduct.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Category	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.  
Not applicable, as we do not have any instances of corruption / conflicts of interest against Directors and KMPs.

8. Number of days of accounts payables (Accounts payable \*365) / Cost of goods/services procured) in the following format:

Particulars	FY 2025-26	FY 2024-25
Number of days of accounts payables	29	26

9. **Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY2025-26	FY2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	8.48%	16.14%
	b. Number of trading houses where purchases are made from	231	202
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	60.20%	64.47%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	35%	-
	b. Number of dealers / distributors to whom sales are made	325	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	80%	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0.12%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	99%*	100%

Remarks: The comparative figures for the previous financial year relating to purchases from trading houses have been restated in the current reporting period to align the classification and definition of "trading house" with the BRSR Industry Standards Note. Accordingly, the previous year's figures have been reclassified wherever necessary to ensure consistency, comparability and alignment with the prescribed reporting framework. Such restatement has no impact on the Company's total purchases or financial results.

\*(Gross Investment before impairment) (refer note 5 (C) of Financial statement)

## Leadership Indicators

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes

The Company has established governance mechanisms and policies to identify, disclose, and manage actual or potential conflicts of interest involving members of the Board. These processes are designed to support ethical conduct, transparency, and accountability in Board decision-making.

**Key processes include:**

Code of Conduct

Directors are required to adhere to the Company's Code of Conduct, which includes provisions relating to ethical behavior, integrity, and avoidance of conflicts of interest.

Disclosure requirements

Board members are required to disclose their interests, including directorships, shareholdings, and relationships that may give rise to a conflict. Such disclosures are reviewed and updated periodically in accordance with applicable laws and regulations.

Recusal from deliberations

Where a conflict or potential conflict exists, the concerned Director abstains from participating in discussions and voting on the relevant matter to ensure independent and unbiased decision-making.

Board and Committee oversight

The Board and its Committees oversee compliance with governance policies and review related-party transactions and other matters that may involve potential conflicts of interest.

### Compliance with NFRA Guidelines

The Company has implemented appropriate processes in line with the National Financial Reporting Authority (NFRA) Circular on "Guidelines for the Audit Committees and Auditors for Compliance with NFRA Responsibilities", including obtaining periodic declarations from Directors and Key Managerial Personnel, strengthening oversight over related party transactions, and ensuring that potential conflicts of interest are identified, evaluated, and appropriately managed through the Audit Committee and the Board.

### Regulatory compliance

The Company complies with the requirements of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, applicable Secretarial Standards, and relevant guidance issued by NFRA and other regulatory authorities relating to conflict-of-interest management.

## **PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**



### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	6%	0%	The Company's R&D expenditure (as a percentage of total capex) during FY 2025-26 was primarily directed towards product development, quality enhancement, process optimization, testing infrastructure and technology upgradation.
Capex	15%	12.32%	<p>During FY 2025-26, the Company continued to invest in energy-efficient technologies and process optimization initiatives aimed at reducing energy consumption, improving resource efficiency and lowering greenhouse gas emissions across its manufacturing operations. Key initiatives included installation of Variable Frequency Drives (VFDs), energy-efficient IE3 motors, E-FRP fans, compressor replacements, pressure-based automation systems, steam and condensate recovery projects, fan and blower optimization, and replacement of conventional equipment with high-efficiency alternatives. In the Home Textiles division, investments were made in energy-efficient compressors, IE4 motors and automated water management systems. Collectively, these projects resulted in estimated energy savings of approximately 11,023 kWh/day and annual cost savings of about Rs. 1.35 crore p.a. The initiatives have contributed to reduced electricity consumption, improved thermal efficiency, lower carbon emissions, enhanced resource productivity and strengthened environmental performance across operations.</p> <p>The energy conservation initiatives implemented during FY 2025-26 resulted in estimated annual electricity savings of 3.67 million kWh p.a. Based on the Central Electricity Authority (CEA) grid emission factor of 0.82 kg CO<sub>2</sub> per kWh, these initiatives are expected to avoid approximately 3,010 tonnes of CO<sub>2</sub> equivalent emissions annually, contributing significantly towards the Company's decarbonization journey, improved energy efficiency, and climate action commitments.</p>

- 2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

- 2.b. If yes, what percentage of inputs were sourced sustainably?

32.49%.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life for the following:

Category	Description
(a) Plastics (including packaging)	As a yarn and textile manufacturer, we do not have processes in place to reclaim our products for reusing, recycling, and disposing at the end of life. However, we have robust waste management processes which are aimed at maximum recovery of generated waste. These processes are further detailed in Principle 6.
(b) E-waste	
(c) Hazardous waste	
(d) Other waste	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, this does not apply to us. However, our Sutlej Green Fibre Unit in Himachal Pradesh is registered on CPCB's PWP portal as recyclers, wherein they sell EPR credits to PIBOs.

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

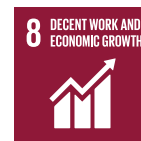
NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
13111	Yarn Manufacturing	76.4	Gate to Gate	Yes	NA
13121	Weaving Fabrics- Home Textiles	5.44	Gate to Gate	Yes	NA

Remarks: The Company has undertaken gate-to-gate Life Cycle Assessments (LCAs) for 75 representative products across its Yarn and Home Textiles product categories through an independent external agency. The percentage of turnover disclosed above represents the overall contribution of the respective product categories to the Company's total turnover and should not be construed as the turnover covered by the LCAs. The LCAs have been conducted for selected products within these categories and, therefore, do not encompass the entire turnover attributable to the respective product categories.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Sr. No.	Indicate input material	Indicate input material Recycled or re-used input material to total material	
		FY2025-26	FY2024-25
1	PSF Recycle	33%	26.66%
2	Cotton Recycle	2%	0.31%
3	Other sustainable fibres	1%	0.00%

**PRINCIPLE 3** Businesses should respect and promote the well-being of all employees, including those in their value chains



Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	1,327	177	13.33%	1,194	89.97%	0	0%	660	49.73%	234	17.63%
Female	70	6	6.66%	61	67.77%	70	100%	0	0%	25	35.71%
<b>Total</b>	<b>1,397</b>	<b>183</b>	<b>13.09%</b>	<b>1,255</b>	<b>89.84%</b>	<b>70</b>	<b>5.0%</b>	<b>660</b>	<b>47.24%</b>	<b>259</b>	<b>18.54%</b>
<b>Other than permanent Employees</b>											
Male	75	64	85.33%	73	97.33%	0	0.00%	0	0.00%	0	0.00%
Female	9	4	44.44%	5	55.56%	5	55.56%	0	0.00%	5	55.56%
<b>Total</b>	<b>84</b>	<b>68</b>	<b>80.95%</b>	<b>78</b>	<b>92.86%</b>	<b>5</b>	<b>5.95%</b>	<b>0</b>	<b>0.00%</b>	<b>5</b>	<b>5.95%</b>

1.b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	9,038	5,762	63.75%	7,293	80.69%	0	0.00%	308	3.41%	1,541	17.05%
Female	2,277	1,147	50.37%	2,037	89.46%	2,037	89.46%	0	0.00%	1,107	48.62%
<b>Total</b>	<b>11,316</b>	<b>6,909</b>	<b>61.06%</b>	<b>9,330</b>	<b>82.46%</b>	<b>2,037</b>	<b>18.00%</b>	<b>308</b>	<b>2.72%</b>	<b>2,648</b>	<b>23.40%</b>
<b>Other than permanent Workers</b>											
Male	2,059	1,037	50.36%	1,758	85.38%	0	0.00%	222	10.78%	121	5.88%
Female	636	342	53.77%	568	89.31%	568	89.31%	0	0.00%	285	44.81%
<b>Total</b>	<b>2,695</b>	<b>1,379</b>	<b>51.17%</b>	<b>2,326</b>	<b>86.31%</b>	<b>568</b>	<b>21.08%</b>	<b>222</b>	<b>8.24%</b>	<b>406</b>	<b>15.06%</b>

Remarks: Maternity benefits, paternity benefits and day care facilities are extended to all eligible employees and workers in accordance with the Company's policy and applicable laws. As these benefits are available only to eligible (married) employees and workers, the percentages disclosed are computed against the total workforce as required under the BRSR format and do not reflect the actual coverage of the eligible population. The Company provides 100% coverage to all eligible employees and workers for these benefits.

1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	FY 2025-26	FY 2024-25
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.10%	0.04%

Remarks: The figures have been aligned with the revised definition of "well-being measures" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

2. Details of retirement benefits, for current and previous financial year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees.	No. of workers covered as a % of total workers.	Deducted and deposited with the authority (Y/N/N.A.).	No. of employees covered as a % of total employees.	No. of workers covered as a % of total workers.	Deducted and deposited with the authority (Y/N/N.A.).
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	No	100%	100%	No
ESI	100%	100%	Yes	100%	100%	Yes

Remarks: For PF and Gratuity, the reporting has been done for our Permanent Employees and Workers. For ESI, 100% of eligible employees and workers are covered. The Company has Gratuity trusts that manage the obligations under Payment of Gratuity Act.

3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes. Sutlej believes in safe and secure working environment for all individuals. The entity's premises are accessible as per the requirements of the Rights of Persons with Disabilities Act, 2016, and are equipped with lifts, ramps and adequate slopes to enable easy movement to differently-abled persons.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Policy can be accessed through the web link: <https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/EqualOpportunityPolicy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A	N.A	N.A	N.A
Female	100%	50%	62.5%	40.75%
Total	100%	50%	62.5%	40.75%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes - Grievance Redressal Committee has been constituted. In addition, procedures are in place for redressal of grievances which include discussions with IR officers, redressal committees, etc.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2025-26			FY2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,397	0	0.00%	1,412	0	0.00%
Male	1,327	0	0.00%	1,351	0	0.00%
Female	70	0	0.00%	61	0	0.00%
Total Permanent Workers	11,315	7,897	69.79%	10,898	8,726	80.07%
Male	9,038	6,150	68.05%	8,922	6,952	77.92%
Female	2,277	1,747	76.72%	1,976	1,774	89.78%

8. Details of training given to employees and workers:

Category	FY2025-26					FY2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1,327	521	39.26%	425	32.02%	1451	978	67.40%	801	55.20%
Female	70	42	60%	55	78.57%	64	38	59.38%	40	62.50%
<b>Total</b>	<b>1,397</b>	<b>563</b>	<b>40.30%</b>	<b>480</b>	<b>34.35%</b>	<b>1,515</b>	<b>1,016</b>	<b>67.06%</b>	<b>841</b>	<b>55.51%</b>
<b>Workers</b>										
Male	11,097	4,734	42.66%	6,531	58.85%	11,073	8,446	76.28%	6,342	57.27%
Female	2,913	1,090	37.42%	1,029	35.32%	2,578	2,017	78.24%	1,401	54.34%
<b>Total</b>	<b>14,010</b>	<b>5,824</b>	<b>41.57%</b>	<b>7,560</b>	<b>53.96%</b>	<b>13,651</b>	<b>10,463</b>	<b>76.65%</b>	<b>7,743</b>	<b>56.72%</b>

9. Details of performance and career development reviews of employees and workers:

Category	FY2025-26			FY2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1,327	1,047	78.89%	1,451	1,250	86.15%
Female	70	59	84.28%	64	51	79.69%
<b>Total</b>	<b>1,397</b>	<b>1,106</b>	<b>79.16%</b>	<b>1,515</b>	<b>1,301</b>	<b>85.87%</b>
<b>Workers</b>						
Male	11,097	9,421	84.90%	11,073	9,232	83.37%
Female	2,913	2,072	71.10%	2,578	1,970	76.42%
<b>Total</b>	<b>14,010</b>	<b>11,493</b>	<b>82.03%</b>	<b>13,651</b>	<b>11,202</b>	<b>82.06%</b>

**10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, an Occupational Health and Safety Management System has been implemented, and the same extends to the entire organization. Three of our units also have ISO 45001:2018 (OHSAS) certifications.

**10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Sutlej employs several structured processes to identify work-related hazards and assess risks on both routine and non-routine basis. These include:

1. Hazard Identification and Risk Assessment (HIRA): A system established to assess hazardous and risky tasks, carried out at both work and floor levels. It involves periodic evaluations of operations to determine risk levels associated with identified hazards and recommend control measures.
2. Job Safety Analysis (JSA) / Job Hazard Analysis (JHA): Conducted before initiating any task, especially non-routine or high-risk activities, to identify potential hazards and implement control measures.
3. Daily Safety Inspections and HSE Patrols: Regular inspections to identify unsafe conditions or practices in the workplace.
4. Permit to Work (PTW) System: Required for non-routine tasks such as hot work, confined space entry, and work at height. This system ensures thorough hazard identification and risk control measures are in place before work begins.
5. Employee Reporting and Near Miss Analysis: Encourages workers to report hazards and near misses, which are then analyzed to prevent future incidents.
6. Change Management Process: Any change in equipment, process, or layout undergoes review to assess new risks before implementation.
7. Training and Awareness Programs: Regular safety training sessions help workers identify hazards and take preventive actions effectively.

Additionally, the installation of SOP boards helps prevent hazardous tasks, supplemented by the use of personal protective equipment as per the respective tasks. These processes collectively ensure our organization's thorough approach to managing work-related hazards and risks effectively.

**10.c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, to ensure that all potential hazards are promptly addressed, we have well-established procedures for workers to report any work-related concerns they may encounter. This reporting process is designed to be accessible and straightforward, encouraging open communication about safety issues. These include Safety Committee meetings on a quarterly basis with the sharing of subsequent reports and recording formal minutes of meetings, conducting Health and Safety Internal Audits, along with near misses, unsafe conditions, unsafe work, and safety suggestion reporting system for workers. In addition, the Daily Inspection Report is shared on WhatsApp groups that have been formed in each unit for safety. Workers also form a part of our Safety Committees.

**10.d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY2025-26	FY2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.30
	Workers	1.32	1.05
Total recordable work-related injuries	Employees	0	1
	Workers	25	25
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company employs a wide variety of measures to establish a safe and healthy workplace. Routine health and safety trainings are conducted, and new employees go through an induction training program to learn basic safety guidelines.

- Essential facilities such as a canteen and restrooms have been set up for employee use, in addition to a first aid treatment dispensary and 24/7 ambulance service. Safety measures against fires include on-site fire-fighting equipment, emergency exits, and sprinkler systems.
- Key steps have been taken towards preventing occupational hazards and improving overall workplace safety, including formations of health and safety committees, regular internal safety audits, and implementation of work permit systems for particularly risky operations.
- The Company has placed strong emphasis on emergency preparedness through regular checks of emergency equipment and pathways, and the establishment of designated assembly points for employees during emergencies. Daily equipment checks are conducted, with special focus given to machine guarding and electrical panels to ensure they are functioning properly and pose no threat to employee safety.
- Regular meetings with department heads are conducted to discuss and remedy potential safety risks identified within the workplace.
- The Company also has standardized safe work systems such as the "Permit to Work" and "Log Out Tag Out" systems, alongside material safety data sheets and checklists. Regular health and safety audits, fire drills, and training programs are conducted, along with the inspection of machinery to identify and swiftly address potential safety hazards. Occupational Medical Health tests are given to monitor potential occupational hazards, alongside the provision of Personal Protection Equipment (PPE) to employees and awareness initiatives regarding their usage.
- The Company also maintains a strict system of reporting and investigating incidents to ensure that similar events can be avoided in the future.

**13. Number of Complaints on the following made by employees and workers:**

Category	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

**14. Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Internal and external assessments on different parameters help the Company streamline its processes wherever required. All recordable incidents are investigated to identify the root causes and corrective measures are implemented to avoid repeat incidents. We ensure closure of all gaps identified during internal and external audits / assessments in a timely manner. Various corrective actions have been taken such as installing machine safety devices, safety interlocking systems, Zero RPM Machine Door Locking, fixed and removable machine safety guards, provision of toe guards, eye showers, relocation of machines and material lines for better fire safety, installation of sensors, anti-skid tapes, emergency stop switches, performing hazard identification and preventive measures, trainings, safety instruction boards and providing health check-ups for workers.

**PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders**



**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

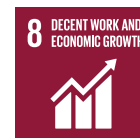
Sutlej continuously engages with its internal and external stakeholders through various processes and identifies the key stakeholder groups on the basis of importance, dependency and ability to influence the business.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Newsletters, meetings.	Quarterly and continuous	Feedback, product launches, information on products, timely delivery, service level.
2	Our People	No	Townhalls with leadership team, in-house magazines, training, induction programmes and performance appraisal.	Continuous	Update on developments within the Company and industry, career development, health and safety, skill upgradation, learning and development and grievance redressal.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
3	Investors / shareholders	No	Conference calls, meetings, stock exchange updates, notices and intimations, Annual Report, website, etc.	Quarterly and continuous	Investors engage with the management of the Company through earnings calls every quarter wherein they are briefed on the performance and business strategy. Dedicated email IDs facilitates engagement of the shareholders with the Investor Relations department. Shareholders communicate directly with the Board of Directors and the Management at the Annual General Meetings.
4	Suppliers / Contractors	No	Phone, email, meetings, etc.	Continuous	Supply chain management and addressing concerns, if any.
5	Community	Yes	CSR initiatives at all locations	Continuous	Addressing community needs, access to quality education and healthcare requirements.
6	Government and regulators	No	Need basis participation in industry level consultation groups, participation in forums	Continuous	Compliance, sustainable practices, inclusive growth.

## PRINCIPLE 5 Businesses should respect and promote human rights



### Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2025-26			FY2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1,397	1,046	74.87%	1,412	1,245	88.17%
Other than permanent	84	2	2.38%	103	81	78.64%
<b>Total Employees</b>	<b>1,481</b>	<b>1,048</b>	<b>70.76%</b>	<b>1,515</b>	<b>1,326</b>	<b>87.52%</b>
<b>Workers</b>						
Permanent	11,315	7,838	69.27%	10,898	9,739	89.37%
Other than permanent	2,695	1,662	61.66%	2,753	2,212	80.35%
<b>Total Workers</b>	<b>14,010</b>	<b>9,500</b>	<b>67.80%</b>	<b>13,651</b>	<b>11,951</b>	<b>87.55%</b>

2. Details of minimum wages paid to employees, in the following format:

Category	FY2025-26					FY2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	1,397	0	0.00%	1,397	100.00%	1,412	0	0.00%	1,412	100.00%
Male	1,327	0	0.00%	1,327	100.00%	1,351	0	0.00%	1,351	100.00%
Female	70	0	0.00%	70	100.00%	61	0	0.00%	61	100.00%
<b>Other than Permanent</b>	84	0	0.00%	84	100.00%	103	0	0.00%	103	100.00%
Male	75	0	0.00%	75	100.00%	100	0	0.00%	100	100.00%
Female	9	0	0.00%	9	100.00%	3	0	0.00%	3	100.00%
<b>Workers</b>										
<b>Permanent</b>	11,315	61	0.54%	11,254	99.46%	10,898	1,684	15.45%	9,214	84.55%
Male	9,038	34	0.37%	9,004	99.62%	8,922	1,460	16.36%	7,462	83.64%
Female	2,277	27	1.18%	2,250	98.81%	1,976	224	11.34%	1,752	88.66%
<b>Other than Permanent</b>	2,695	1,577	58.52%	1,118	41.48%	2,753	1,603	58.23%	1,150	41.77%
Male	2,059	1,180	57.30%	876	42.54%	2,151	1,284	59.69%	867	40.31%
Female	636	397	62.42%	242	38.05%	602	319	52.99%	283	47.01%

3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	10,00,000	1	10,00,000
Key Managerial Personnel (KMP)	1	91,94,700	0	0
Employees other than BoD and KMP	1,225	4,55,300	55	4,95,471
Workers	6,992	2,11,254	1,653	1,32,709

Note: The figures have been aligned with the revised definition of "wages" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

For the purposes of calculation of median remuneration of BoD, sitting fees has not been considered as a part of remuneration.

For the purposes of calculation of median remuneration of KMP, as one of the KMP is a director too, his remuneration has been included in BoD for the purposes of calculation of median remuneration.

For the purposes of calculation of median remuneration, only those employees and workers have been considered who have worked in the Company for entire financial year 2025-26.

3. b. Provide information on Gross wages paid to females by the entity, in the following format:

Particulars	FY2025-26	FY2024-25
Gross wages paid to females as % of total wages	10.83%	10.34%

Note:

For the purposes of calculation of gross wages paid to females as % of total wages, only those employees and workers have been considered who have worked in the Company for entire FY 2025-26 and FY 2024-25 respectively. Accordingly, the figure of previous year has been restated.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. All units are committed towards protection of such rights by creating a safe and healthy working environment for all their employees and workers. There are designated committees at the unit level to address human rights impacts and issues related to the business operations.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

We are committed to providing an inclusive environment, where people are treated with dignity and respect with documented Grievance Redressal Policy and Human Rights Policy. Grievance Redressal Committee addresses any human rights grievances in a fair, timely and consistent manner. Works and ICC / SPT Committees are organized periodically to address any issues. Regular meetings with employees and workers are held to discuss any grievances they may have, and the importance of statutory mechanisms to redress them is also highlighted.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY2025-26	FY2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company believes in providing a safe, non-hostile and harassment-free work environment at all its workplaces. There are several mechanisms in place to ensure the protection of the complainant in discrimination and harassment cases. These include privacy protection, independent investigations, access to support services, and interim measures. The aim of these mechanisms is to ensure that the complainant does not face any form of retaliation, punishment, or emotional distress. Additionally, alternative dispute resolution, training and awareness, and legal protections also play an important role. Our policies provide a work environment that ensures every person at the workplace is treated with respect and dignity and is accorded equal treatment. We have formulated and implemented a Whistle-blower Policy, Prevention of Sexual Harassment (POSH) Policy, and Human Rights Policy to effectively prevent adverse consequences in discrimination and harassment cases. All of these are designed to provide a safe environment to all employees and workers.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

## 10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

## 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No corrective actions have been taken as no significant risks or concerns have arisen from the assessments.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

## Essential Indicators

## 1. Details of total energy consumption in GigaJoules (GJ), in the following format:

Parameter	FY 2025-26	FY 2024-25
<b>From renewable sources</b>		
Total electricity consumption (A)	13,476.08	13,903.20
Total fuel consumption (B)	72,998.62	1,245.46
Energy consumption through other sources ( C )	0.00	0.00
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>86,474.7</b>	<b>15,148.66</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	15,82,793.47	16,23,762.00
Total fuel consumption (E)	13,84,595.373	12,58,193.795
Energy consumption through other sources (F)	0.00	0.00
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>29,67,388.843</b>	<b>28,81,955.79</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>30,53,863.54</b>	<b>28,97,104.45</b>
<b>Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)</b>	<b>1,181.84 GJ / Crore</b>	<b>1,096.40 GJ / Crore</b>
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)</b>	<b>24,109.45 GJ / \$ Crore</b>	<b>22,651.72 GJ / \$ Crore</b>
<b>Energy intensity in terms of physical output</b>	<b>20.61 GJ / Tonnes</b>	<b>29.20 GJ / Tonnes</b>

Remark: The reduction in energy intensity in terms of physical output (TCO<sub>2e</sub> per metric tonne of production) during FY 2025 - 26 is not directly comparable with the previous year. In FY 2024 - 25, production data for the fabric manufacturing business was not considered while computing the denominator (total physical output in metric tonnes). During FY 2025 - 26, the methodology was refined to include fabric production (in metric tonnes) along with other product categories, resulting in a higher production base and, consequently, a lower emission intensity per metric tonne.

Indicate if any independent assessment/evaluation/assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency:

Yes. Independent assessments and energy audits were undertaken across various manufacturing locations during FY 2025-26. At SGF, environmental monitoring activities were conducted by Shivalik Solid Waste Management. At CTM, energy assessments were undertaken by SEA Energy, while at BTM, energy assessment was undertaken by Voltas. In addition, periodic energy audits and efficiency reviews were carried out across the Company's manufacturing facilities to identify opportunities for energy conservation, process optimization and reduction in greenhouse gas emissions. These assessments support the Company's commitment towards continual improvement in energy performance and resource efficiency.

**2 Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Yes. The Company has manufacturing facilities that are covered under the Bureau of Energy Efficiency's (BEE) regulatory framework for energy efficiency and decarbonization. Four manufacturing facilities, namely Chenab Textile Mills (Kathua), Rajasthan Textile Mills (Bhawanimandi), Birla Textile Mills (Baddi) and Damanganga Home Textiles (Daheli), have been notified as Obligated Entities under the Carbon Credit Trading Scheme (CCTS) and are required to achieve prescribed Greenhouse Gas Emission Intensity (GEI) reduction targets.

The notified GEI targets for the units are as follows:

Unit	Baseline GEI FY 2023-24 (tCO <sub>2</sub> e/Tonne)	Target FY 2025-26 (tCO <sub>2</sub> e/Tonne)	Target FY 2026-27 (tCO <sub>2</sub> e/Tonne)
Chenab Textile Mills, Kathua	3.2559	3.2359	3.1156
Rajasthan Textile Mills, Bhawanimandi	3.4309	3.4087	3.2727
Birla Textile Mills, Baddi	3.7914	3.7643	3.5980
Damanganga Home Textiles, Daheli	3.7187	-	3.5604

The Company has established unit-specific decarbonization roadmaps and energy management action plans to achieve the notified targets.

The performance assessment against the notified FY 2025-26 targets is currently under verification as per the prescribed regulatory process. The Company remains committed to achieving its GEI reduction obligations and, where applicable, will participate in the Carbon Credit Trading Scheme through generation, banking or procurement of Carbon Credit Certificates (CCCs) in accordance with the applicable regulations.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	65,286	4,00,889.00
(ii) Groundwater	23,63,727.65	24,99,835.12
(iii) Third party water	3,36,668.00	0.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>27,65,681.65</b>	<b>29,00,724.12</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>14,31,942.65</b>	<b>14,56,484.12</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>554.02 KL / Crore</b>	<b>551.20KL / Crore</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)</b>	<b>11,098.00 KL / \$ Crore</b>	<b>11,387.88 KL / \$ Crore</b>
<b>Water intensity in terms of physical output (Production in tonnes)</b>	<b>9.66 KL / Tonnes</b>	<b>14.68 KL / Tonnes</b>

Remark: For the purpose of this disclosure, recycled/reused water includes treated water from Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs) and Zero Liquid Discharge (ZLD) systems that is either reused within the Company's operations or transferred to a Common Effluent Treatment Plant (CETP) for further treatment and reuse. The recycled water metrics are provided separately below:

Total Recycled Water in FY 24-25: 13,82,421.70 KL

Total Recycled Water in FY 25-26: 18,53,188 KL

The reduction in water intensity in terms of physical output (TCO<sub>2</sub>e per metric tonne of production) during FY 2025-26 is not directly comparable with the previous year. In FY 2024-25, production data for the fabric manufacturing business was not considered while computing the denominator (total physical output in metric tonnes). During FY 2025 - 26, the methodology was refined to include fabric production (in metric tonnes) along with other product categories, resulting in a higher production base and, consequently, a lower emission intensity per metric tonne.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

Yes. At the Kathua unit, the audit was conducted by SIMA Labs Pvt. Ltd., while Eco Paryavaran Labs Pvt. Ltd. carried out the audit for BTM at our Baddi units. Shivalik Solid Waste Management assessed the SGF unit, and M/s Hare Krishna Environment conducted the audit at Daman Ganga.

**4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)**

Parameter	FY2025-26	FY2024-25
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater		
- No treatment	0	0
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment	15,96,665.00 Primary and Secondary Treatment. The water is treated by the STPs and ETPs that are there in the units, and then sent to third parties.	14,44,240.00 Primary and Secondary Treatment. The water is treated by the STPs and ETPs that are there in the units, and then sent to third parties
(v) Others		
- No treatment	0	0
With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>15,96,665.00</b>	<b>14,44,240.00</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

Yes. At the Kathua unit, the audit was conducted by SIMA Labs Pvt. Ltd., while Eco Paryavaran Labs Pvt. Ltd. carried out the audit for BTM at our Baddi units. Shivalik Solid Waste Management assessed the SGF unit, and M/s. Hare Krishna Environment conducted the audit at Daman Ganga.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. In all of our units, there are initiatives to reuse water to the maximum extent possible in the manufacturing process as well as in other areas on site (such as for gardening, etc.). We have three fully operational ZLDs, with capacities of 1,150 KLD, 1,370 KLD, and 3,000 KLD. In addition, we also have Effluent Treatment Plants and Sewage Treatment Plants with varying capacities, in order to treat wastewater. Our Kathua unit has a STP working on MBR technology. In some units, the sewage water is also recycled and the treated water is used in process houses in boilers, humidification plants, wash lines, flushing of toilets, gardening, etc.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2025-2026	FY 2024-2025
Nox	mg/NM3	37.52	76.84
Sox	mg/NM3	44.66	21.00
Particulate matter (PM)	mg/NM3	68.44	76.45
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)	mg/NM3	-	100.46
Others	-	-	-

Indicate if any independent assessment/evaluation/assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency:

Yes. Independent monitoring and assessment of air emissions were conducted by accredited external agencies. Assessment at the SGF was undertaken by RB Enviro Laboratories Pvt. Ltd., while at CTM it was undertaken by SIMA Labs Pvt. Ltd. Damanganga unit engaged M/s. Hare Krishna Environment, Ankleshwar and at BTM assessment was conducted by Eco Paryavaran Labs Pvt. Ltd. The assessments covered stack emissions, ambient air quality and workplace air quality parameters to ensure compliance with applicable environmental standards.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in MTCO<sub>2</sub>e, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	1,10,731.1028	1,22,042.49
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	TCO <sub>2</sub> e	3,12,162.04	3,22,948.22
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b>	<b>TCO<sub>2</sub>e / rupee of turnover</b>	<b>163.61 TCO<sub>2</sub>e / Crore</b>	<b>168.41 TCO<sub>2</sub>e / Crore</b>
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b>	<b>TCO<sub>2</sub>e / \$-Crore of revenue from operations</b>	<b>3,327.98 TCO<sub>2</sub>e / \$ Crore</b>	<b>3,479.27 TCO<sub>2</sub>e / \$ Crore</b>
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	<b>TCO<sub>2</sub>e / Metric Tonnes of Production</b>	<b>2.85 TCO<sub>2</sub>e / Tonnes</b>	<b>4.49 TCO<sub>2</sub>e / Tonnes</b>

Remark: The reduction in greenhouse gas emission intensity in terms of physical output (TCO<sub>2</sub>e per metric tonne of production) during FY 2025-26 is not directly comparable with the previous year. In FY 2024-25, production data for the fabric manufacturing business was not considered while computing the denominator (total physical output in metric tonnes). During FY 2025-26, the methodology was refined to include fabric production (in metric tonnes)

along with other product categories, resulting in a higher production base and, consequently, a lower emission intensity per metric tonne.

Indicate if any independent assessment/evaluation/assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency: -

The Company's greenhouse gas (GHG) emissions (Scope 1 and Scope 2) were evaluated internally using GovEva, a third-party ESG reporting and carbon accounting software platform. The software was used for data compilation, emissions calculation and reporting in accordance with the applicable BRSR reporting framework. No independent external assurance of the GHG emissions data was undertaken during the reporting period. The Company continues to strengthen its carbon accounting processes and enhance monitoring mechanisms to support its climate action and decarbonization strategy.

#### 8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Sutlej is committed to reducing the emissions that it produces during its manufacturing process, and utilizing renewable energy as well as undertaking energy efficiency initiatives to achieve this.

The Company has implemented and continues to pursue several initiatives aimed at reducing greenhouse gas emissions and improving environmental performance. Key initiatives undertaken during FY 2025-26 include:

- Installation and expansion of renewable energy integration, including rooftop solar systems to increase renewable energy consumption.
- Installation of advanced air pollution control systems, including double venturi wet scrubbers, to reduce air emissions.
- Reduction of sludge generation through installation of sludge drying systems.
- Adoption of energy-efficient technologies such as heat pumps, high-efficiency motors and Variable Voltage and Frequency Drives (VVFDs).
- Continuous optimization of manufacturing processes to reduce electricity and fuel consumption.

These initiatives contribute towards lowering Scope 1 and Scope 2 emissions and support the Company's long-term sustainability objectives.

In addition, all units conduct technology upgrades, replacing older, less efficient equipment with equipment that is more energy efficient. Initiatives are also being taken to improve the efficiency of the boilers, as well as to reduce the energy losses occurring during the manufacturing process. All units have developed energy-saving targets to reduce the fuel and electricity consumption that form the bulk of Sutlej's Scope 1 and 2 emissions.

#### 9 Provide details related to waste management by the entity for the Current Financial Year:

Parameter	FY2025-26	FY2024-25
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	4,654.00	6,435.73
E-waste(B)	0.75	3.74
Bio-medical waste (C)	0.80	1.05
Construction and demolition waste (D)	20.00	24.00
Battery waste (E)	0.00	0.00
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	734.80	739.17
Other Non-hazardous waste generated (H). Please specify, if any.	12,790.00	12,470.24
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>18,200.35</b>	<b>19,673.93</b>
<b>Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)</b>	<b>7.04 MT / Crore</b>	<b>7.44 MT / Crore</b>
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)</b>	<b>143.69 MT / \$-Crore</b>	<b>153.82 MT / \$-Crore</b>

Parameter	FY2025-26	FY2024-25
<b>Waste intensity in terms of physical output (production in tonnes)</b>	<b>0.123 MT / Tonnes</b>	<b>0.1983 MT / Tonnes</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
<b>Category of waste – Plastic</b>		
(i) Recycled	274.25	379.83
(ii) Re-used	782.18	1083.304
(iii) Other recovery operations	3597.58	4982.6
<b>Total Plastic Waste Recycled, Re-used and other recovery operations</b>	<b>4654.01</b>	<b>6445.734</b>
<b>Category of waste - E-Waste</b>		
(i) Recycled	0.75	3.74
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total E-Waste Recycled, Re-used and other recovery operations</b>	<b>0.75</b>	<b>3.74</b>
<b>Category of waste - Bio-medical waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total Bio-medical Waste Recycled, Re-used and other recovery operations</b>	<b>0</b>	<b>0</b>
<b>Category of waste - Construction and demolition waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	20.00	24.00
(iii) Other recovery operations	0.00	0.00
<b>Total Construction Waste Recycled, Re-used and other recovery operations</b>	<b>20.00</b>	<b>24.00</b>
<b>Category of waste - Battery waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total Battery Waste Recycled, Re-used and other recovery operations</b>	<b>0</b>	<b>0</b>
<b>Category of waste - Radioactive waste</b>		
(i) Recycled	0.00	0.00
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	0.00
<b>Total Radioactive Waste Recycled, Re-used and other recovery operations</b>	<b>0</b>	<b>0</b>
<b>Category of waste - Other Hazardous waste</b>		
(i) Recycled	100.98	32.01
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.00	120.75
<b>Total Other Hazardous Waste Recycled, Re-used and other recovery operations</b>	<b>100.98</b>	<b>152.76</b>
<b>Category of waste - Other Non-Hazardous waste</b>		
(i) Recycled	384.41	380.842
(ii) Re-used	137.27	136
(iii) Other recovery operations	11353.32	11248.01
<b>Total Other Non-hazardous Waste Recycled, Re-used and other recovery operations</b>	<b>11875.00</b>	<b>11764.85</b>
<b>Total</b>	<b>16650.74</b>	<b>18391.087</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
<b>Category of waste – Plastic</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total Plastic Waste Incineration, Landfilling and other disposal operations</b>	<b>0</b>	<b>0</b>

Parameter	FY2025-26	FY2024-25
<b>Category of waste - E-Waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.25
<b>Total E-waste Waste Incineration, Landfilling and other disposal operations</b>	<b>0.00</b>	<b>0.25</b>
<b>Category of waste - Bio-medical Waste</b>		
(i) Incineration	0.80	1.054
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total Bio-medical Waste Incineration, Landfilling and other disposal operations</b>	<b>0.80</b>	<b>1.054</b>
<b>Category of waste - Construction and demolition waste</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total Construction Waste Incineration, Landfilling and other disposal operations</b>	<b>0</b>	<b>0</b>
<b>Category of waste – Battery</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total Battery Waste Incineration, Landfilling and Other disposal operations</b>	<b>0</b>	<b>0</b>
<b>Category of waste – Radioactive</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total Radioactive Waste Incineration, Landfilling and Other disposal operations</b>	<b>0</b>	<b>0</b>
<b>Category of waste - Other Hazardous waste. Please specify, if any</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	238.14	88.85
(iii) Other disposal operations	366.64	499.14
<b>Total Other Hazardous Waste Incineration, Landfilling and Other disposal operations</b>	<b>604.78</b>	<b>587.99</b>
<b>Category of waste - Other Non-hazardous waste generated</b>		
(i) Incineration	0.00	0.00
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	0.00	0.00
<b>Total Other Non-hazardous Waste Incineration, Landfilling and Other disposal operations</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>605.58</b>	<b>589.045</b>

## Remarks:

The reduction in waste intensity in terms of physical output (TCO<sub>2</sub>e per metric tonne of production) during FY 2025–26 is not directly comparable with the previous year. In FY 2024–25, production data for the fabric manufacturing business was not considered while computing the denominator (total physical output in metric tonnes). During FY 2025–26, the methodology was refined to include fabric production (in metric tonnes) along with other product categories, resulting in a higher production base and, consequently, a lower emission intensity per metric tonne.

The increase in hazardous waste disposed through landfilling during FY 2025–26 is primarily attributable to the processing of lower-quality post-consumer PET bottles containing a higher proportion of soil, mud and other inert contaminants. To maintain the required quality standards of recycled polyester fibre, these PET bottles underwent more intensive washing and cleaning, resulting in higher generation of ETP sludge during the reporting period.

Subsequent to the reporting period, the Company commissioned an independent technical evaluation by Shriram Institute for Industrial Research, which concluded that the soil-based material/ETP sludge generated from the PET bottle recycling process is non-hazardous and suitable for beneficial utilization, including brick manufacturing, landfilling and other value-added applications, subject to applicable regulatory approvals. Accordingly, the Company has initiated the necessary regulatory approval process, and upon receipt of the requisite approvals, this waste stream will be reclassified and reported as non-hazardous waste in future reporting periods.

Indicate if any independent assessment/evaluation/assurance for Waste has been conducted by an external agency. If Yes, provide the name of the agency:

Yes. At the Kathua unit, assessment was conducted by SIMA Labs Pvt. Ltd. for ETP Sludge testing and Intertek for ZDHC, while the Damanganga unit was assessed by M/s Hare Krishna Environment, Ankleshwar. Additionally, our Baddi unit (BTM) was assessed by Eco Monecule Technology & Solution for ETP Sludge testing.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes, and the practices adopted to manage such wastes.**

At Sutlej, we have a documented Waste Management Policy, and each unit has SOPs in place for proper segregation, reuse, recovery, and disposal of waste.

We are constantly trying to optimize our processes to reduce the amount of waste generated. Some of the practices are outlined below:

1. As much as possible, our waste, including plastic waste, packaging, hazardous waste, and e-waste, is sold to authorized vendors for safe reuse, recycling, or disposal.
2. For non-hazardous waste such as process waste (fibres, yarn residuals), old cables, bearings, pallis, other scraps, etc., are sold in the market for reuse and recycling. The process waste generated by Sutlej becomes raw material for making carpets.
3. For ETP Sludge, we are taking active measures to utilize volute dewatering press, driers, and chemicals to reduce the volume of sludge generated. In our Kathua unit, the ETP sludge is sold off for co-processing in the cement industry. Our other units send the ETP sludge to authorized agencies for further disposal. The same is done for other hazardous waste.
4. 60-100% boiler ash is recycled.
5. Sewage water is recycled and the treated water is used in process houses like boilers, humidification plants, flushing of toilets, gardening, etc. We have ZLDs and ETPs.
6. Chemical dispensers have been installed to reduce wastage.
7. To reduce the amount of e-waste, we are procuring equipment with longer battery life.
8. PPE is used for handling of chemicals.
9. Sedimentation processes are utilized to reduce TSS.
10. In our Baddi Unit, high temperature effluents are collected in a collection tank, taking out its heat by passing through a heat recovery plant. This effluent is then taken out for treatment and while the treated water is sent to the CETP, the solid waste generated is sent to the TSDF.
11. Development of waste-related targets in the units. In order to reduce the usage of hazardous and toxic chemicals in our processes and products, we have documented SOPs to reduce hazardous and toxic chemicals.

All units utilize azo-free dyes in the dyeing process. In addition, our units are also undertaking activities such as replacement of sodium hydrosulphite with less hazardous chemicals and replacing quantities of caustic soda with other chemicals. We continuously optimize chemical doses and conduct trials of eco-friendly chemicals and other alternatives to hazardous chemicals.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1			Not Applicable

Remarks: The Company does not have operations or offices in and around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Sr. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	No EIAs were conducted during the period of reporting.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	NA	NA	NA	NA

Remarks: Yes, we are complying with all applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules

**PRINCIPLE 7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



**Essential Indicators**

1.a. Number of affiliations with trade and industry chambers/ associations.

7

1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/ National/International)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Textile Industry (CITI)	
3	The Cotton Textiles Export Promotion Council (TEXPROCIL)	
4	Federation of Indian Export Organisations (FIEO)	
5	Manmade and Technical Textiles Export Promotion Council (MATEXIL)	
6	International Textile Manufacturers Federation (ITMF)	
7	IMC Chamber of Commerce and Industry	

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Sr. No.	Name of authority	Brief of the case	Corrective action taken
		NA	

Remarks: During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct.

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development



### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Sr. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
						NA

Remarks: During FY 2025-26, we have not undertaken any projects that require Social Impact Assessments (SIA).

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
						NA

Remarks: During FY 2025-26, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R).

3. Describe the mechanisms to receive and redress grievances of the community.

We are committed to developing and supporting the communities around our manufacturing facilities by effectively receiving and redressing their grievances. Our engagement strategies include regular interactions between our staff and the local community through personal visits, participation in religious functions, and community surveys to understand and address their concerns actively. We have established a robust grievance mechanism to ensure complaints are duly investigated and acted upon by the respective departments. Furthermore, our involvement extends to being an active part of local committees constituted by the panchayat, where grievances are addressed quarterly, and collaborative efforts are made to resolve issues. Our commitment to social responsibility is demonstrated through various initiatives including CSR activities highlighting our dedication to the community's overall well-being and infrastructure development.

4. **Percentage of input material sourced from suppliers (by value):**

Category	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	29.11%	21.19%
Sourced directly from within India	97.83%	99.15%

5. **Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)**

Location	FY 2025-26	FY 2024-25
Rural	7.75%	7.21%
Semi-urban	83.24%	83.03%
Urban	0.17%	0.10%
Metropolitan	8.88%	9.66%

Note: The figures reported have been aligned with the revised definition of "wages" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

**PRINCIPLE 9** Businesses should engage with and provide value to their consumers in a responsible manner



Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Consumer complaints and feedback are managed through multiple mechanisms designed to ensure effective resolution and continuous improvement. Customers can submit their complaints and feedback via the Sutlej website, email, and online feedback forms and surveys. Complaints received are sent to the plant by the marketing team through email and SAP. Once a complaint is received, it is analyzed by the Quality Control (QC) department, which conducts a root cause analysis and devises corrective and preventive actions. The response from the QC department is communicated back to the customer through the marketing team. In order to handle grievances, a formalized complaint resolution process is followed. This includes documenting complaints, assigning them to relevant departments, and conducting follow-ups to ensure satisfactory resolution. Real-time resolution and personalized interaction are emphasized, and insights gathered from customer interactions are used to improve service quality and product development. Furthermore, the Sutlej customer service team conducts periodic surveys to gather additional feedback and take necessary actions for improving products and services. Regular training sessions for customer service representatives focus on empathy, efficiency, and solution-oriented communication, fostering a consumer-centric approach. All complaints and feedback are documented and reviewed to facilitate continuous improvement.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

Particulars	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

Remarks: No products of the Company were recalled on account of safety issues.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The policy can be accessed at [https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Sutlej\\_IT\\_Policy.pdf](https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Sutlej_IT_Policy.pdf)

6. Provide details of any corrective actions taken or underway on issues relating to any of the following: i. Advertising; ii. Delivery of essential services; iii. Cyber security and data privacy of customers; iv. Re-occurrence of instances of product recalls v. penalty / action taken by regulatory authorities on safety of products / services.

There have been no instances of corrective actions taken or underway on issues related to advertising or delivery of essential services, cyber security and data privacy of customers, re-occurrence of product recalls, or any penalties or actions taken by regulatory authorities on the safety of products or services.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - 0
- Percentage of data breaches involving personally identifiable information of customers - 0
- Impact, if any, of the data breaches - Not applicable as we did not have any data breaches.

## Annexure-VI

## Particulars of Employees

1. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2025-26, 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:

Sr. No.	Name of Director / KMP	Designation	Percentage increase in Remuneration	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. C. S. Nopany	Executive Chairman	N.A.	93.35
2.	Mrs. Sonu Bhasin*	Non-Executive Director	-	4.79
3.	Mr. Rohit Dhoot	Non-Executive Director	-	4.79
4.	Mr. Ashok Mittal	Non-Executive Director	-	4.79
5.	Mr. Sameer Kaji	Non-Executive Director	-	4.79
6.	Ms. Deepa Kapoor	Non-Executive Director	-	4.79
7.	Mr. Arhant Nopany	Non-Executive Director	-	4.79
8.	Mr. Ashishkumar Srivastava	Wholetime Director & CEO	N.A.	172.84
9.	Mr. Rajib Mukhopadhyay#	Chief Financial Officer	N.A.	27.90
10.	Mr. Sachin J. Karwa##	Chief Financial Officer	N.A.	43.65
11.	Mr. Manoj Contractor	Company Secretary & Compliance Officer	8.72	54.86

\* Ceased to be Director of the Company w.e.f. 06<sup>th</sup> May, 2025

# Mr. Rajib Mukhopadhyay ceased to be the Chief Financial Officer of the Company w.e.f. 11<sup>th</sup> June, 2025.

## Mr. Sachin J. Karwa was appointed as the Chief Financial Officer of the Company w.e.f. 11<sup>th</sup> June, 2025.

2. In the financial year, there was increase of 1.93% in the median remuneration of employees.
3. There were 12,748 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2026.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2025-26 was 8.58% whereas the decrease in the managerial remuneration for the same financial year was 18.21%.
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Notes:**

- i. The remuneration of non-executive directors is exclusive of sitting fees.
- ii. Percentage of shares held:

Name of Director	No. of Shares	% of Shares
Mr. C. S. Nopany	1,10,000	0.07

## Annexure-VII

# Form No. MR-3 Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2026  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Sutlej Textiles and Industries Limited**  
CIN: L17124RJ2005PLC020927  
Pachpahar Road, Bhawanimandi,  
Jhalawar, Rajasthan.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sutlej Textiles and Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 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 **31<sup>st</sup> March, 2026**, according to the provisions of:

- (a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (d) 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;

- (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**not applicable during audit period**];
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**to the extent applicable during the audit period**];
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [**not applicable during audit period**];
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**not applicable during audit period**];

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[not applicable during audit period]**.
- (f) The following other laws as applicable to the Company:
- a. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
  - b. Employees State Insurance Act, 1948.
  - c. Environment Protection Act, 1986 and other environmental laws.
  - d. Equal Remuneration Act, 1976.
  - e. Factories Act, 1948.
  - f. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.
  - g. Income Tax Act, 1961 and Goods and Service Tax Act, 2017 and the rules made thereunder.
  - h. Industrial Dispute Act, 1947.
  - i. Maternity Benefits Act, 1961.
  - j. Minimum Wages Act, 1948.
  - k. Payment of Bonus Act, 1965.
  - l. Payment of Gratuity Act, 1972.
  - m. Payment of Wages Act, 1936.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

#### **I 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 with proper time gap 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 (wherever applicable) as part of the minutes.

**I 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.

**I further report that** during the audit period, there were few specific events / actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

1. Mr. Chandra Shekhar Nopany ceased to hold office as Whole-time Director of the Company with effect from 31<sup>st</sup> July, 2025. Subsequently, he was appointed as Managing Director of the Company with effect from 1<sup>st</sup> August, 2025, in accordance with the applicable provisions.
2. Mrs. Sonu Halan Bhasin ceased to be an Independent Director of the Company with effect from 6<sup>th</sup> May, 2025, upon completion of her second consecutive term, in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations.
3. Mr. Sachin Jaikishan Karwa was appointed as Chief Financial Officer (CFO) of the Company with effect from 11<sup>th</sup> June, 2025. Consequently, Mr. Rajib Mukhopadhyay ceased to hold the position of CFO of the Company with effect from the same date.
4. Mr. Ashishkumar Hari Mohan Srivastava was appointed as an Additional Director and Whole-time Director (designated as Whole-time Director and Chief Executive Officer) of the Company with effect from 24<sup>th</sup> March, 2025. His appointment was subsequently regularized by the Members of the Company through resolutions passed by way of Postal Ballot on 1<sup>st</sup> May, 2025.
5. The provisions relating to Corporate Social Responsibility (CSR) were not applicable to the Company during the year under review, as the average net profits of the Company for the preceding three financial years were negative. However, the Company has voluntarily incurred an expenditure of Rs. 42.06 lakhs towards CSR activities during the year.

6. The Members of the Company have approved the "Sutlej Textiles and Industries Limited – Employee Stock Option Scheme 2026" through Postal Ballot on 19<sup>th</sup> April, 2026, for grant of options exercisable into not more than 33,43,380 (Thirty-Three Lakhs Forty-Three Thousand Three Hundred and Eighty) equity shares of face value of Re. 1/- each, fully paid-up.

**For CSM & CO.**  
**Company Secretaries**  
(ICSI Unique Code: P2025RJ105300)  
PEER REVIEW NO. 6668/2025

Place: Jaipur  
Date: 05.05.2026  
UDIN: F005118H000277643

Sd/-  
**Rajendra Chouhan**  
Partner  
FCS No. 5118, C P No.: 3726

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

## “Annexure- A”

To,  
The Members,  
**Sutlej Textiles and Industries Limited**  
CIN: L17124RJ2005PLC020927  
Pachpahar Road, Bhawanimandi,  
Jhalawar, Rajasthan.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of 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 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 of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For CSM & CO.**  
**Company Secretaries**  
(ICSI Unique Code: P2025RJ105300)  
PEER REVIEW NO. 6668/2025

Place: Jaipur  
Date: 05.05.2026  
UDIN: F005118H000277643

Sd/-  
**Rajendra Chouhan**  
Partner  
FCS No. 5118, C P No.: 3726

## Annexure-VIII

### FORM NO. AOC - 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2026, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis.**

There were no material contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2026.

For and on behalf of the Board

**C. S. Nopany**

Executive Chairman

DIN 00014587

Place : Mumbai

Dated: 05<sup>th</sup> May, 2026

# Financial Statements

# Independent Auditor's Report

To the Members of  
**Sutlej Textiles and Industries Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Sutlej Textiles and Industries Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter

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

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company

in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- ❖ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 01 April 2026 and 02 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 40A to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50(vi) to the standalone 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.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 50(vii) to the standalone 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 Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures 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 (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in case of an accounting software used for maintaining the books of account relating to workers payroll. Due to system limitation to validate configuration

of the feature of recording audit trail (edit log) facility at application and database level of the aforesaid software, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, except to the extent audit trail was not enabled for the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm’s Registration No.:101248W/W-100022

**Shashank Agarwal**

Partner

Place: Mumbai

Membership No.: 095109

Date: 05 May 2026

ICAI UDIN:26095109ZJSACB3103

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2026

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (in Rs. crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold land at Kathua*	1.53	Chenab Textiles Mills, Kathua (A unit of Company)	No	Year 2006 to 2008	Company submitted letter to SIDCO, Kathua for execution of lease deed for land allotted in its favour which is pending
Freehold land at Baddi	0.08	Sh. Ashok Kumar & Sh. Ratna	No	1992-93	Revenue department requires fresh agreement with their land owners which could not be arranged due to death of land owners.

\*disclosed as right of use assets as per relevant accounting standard.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (in Rs. crores)	Amount as reported in the quarterly return/statement (in Rs. crores)	Amount of difference (in Rs. crores)	Whether return/statement subsequently rectified
March 2025	Punjab National Bank, Jammu & Kashmir	Inventory net of trade payable	411.46	411.99	(0.53)	Yes
		Trade Receivables	295.02	295.19	(0.17)	Yes
June 2025	Bank, HDFC	Inventory net of trade payable	372.29	372.68	(0.39)	Yes
September 2025	Bank, DBS	Inventory net of trade payable	355.93	356.38	(0.45)	Yes
	Bank, DCB					
Decemner 2025	Bank, ICICI	Inventory net of trade payable	367.08	368.07	(0.99)	Yes
	Bank, Federal Bank, Axis Bank and Kotak bank					
		Trade Receivables	274.34	274.42	(0.08)	

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loan to any other entity as below:

Particulars	Loan (Rs. in crores)
Aggregate amount granted/provided during the year Subsidiary	-
Balance outstanding as at balance sheet date Subsidiary	8.39

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Further, the Company has not made any investments in firms, limited liability partnership or any other parties.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan given, the repayment of principal and payment of interest has not fallen due during the year. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loan given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loan given to same party.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities, except Building Cess in respect of which the Company has been irregular in depositing the amount of Rs. 0.38 crores.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in crores)*	Period to which the amount relates	Forum where dispute is pending
Himachal Pradesh Tax on entry of goods in local area act, 2010	Entry Tax	5.43	F.Y. 2011-2017	High Court, Himachal Pradesh
The Central Excise Act, 1944	Excise duty	0.53	F.Y. 2010-2011	Central Excise & Service Tax Appellate Tribunal, New Delhi
		0.07	F.Y. 2009-2011	Central Excise & Service Tax Appellate Tribunal, Ahmedabad
		-	F.Y. 2003-2004	Regional Authority, Jammu
CGST Act, 2017	GST	3.06	F.Y. 2017-2021	Goods & Service Tax Appellate Tribunal
		6.22	F.Y. 2017-2018	High Court, Jaipur
Buildings And Other Construction Workers (Regulation Of Employment And Conditions Of Service) Act, 1996	Building Cess	1.66	F.Y. 2015-2016 F.Y. 2019-2020	High Court, Jaipur

\* Amount as per demand orders includes interest and penalty, wherever indicated in the order and is net of amount deposited.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two CIC as part of the Group as detailed in note 50(x) to the standalone financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable 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.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

Partner

Membership No.: 095109

ICAI UDIN:26095109ZJSACB3103

Place: Mumbai

Date: 05 May 2026

# Annexure B to the Independent Auditor's Report on the standalone financial statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2026

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

We have audited the internal financial controls with reference to financial statements of Sutlej Textiles and Industries Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to 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 (the "Guidance Note").

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

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 financial statements.

## Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 Financial Statements

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

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

Partner

Membership No.: 095109

ICAI UDIN:26095109ZJSACB3103

Place: Mumbai

Date: 05 May 2026

# Standalone Balance Sheet as at March 31, 2026

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

CIN No: L17124RJ2005PLC020927

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	956.08	998.30
Capital work-in-progress	3B	8.79	7.11
Right-of-use assets	3C	3.89	3.95
Intangible assets	4	0.74	0.97
<b>Financial assets</b>			
(i) Investments	5	0.83	20.74
(ii) Loans	6	-	7.04
(iii) Other financial assets	7	13.41	13.42
Deferred tax assets (net)	23	35.57	7.48
Other tax assets (net)	8	2.86	3.17
Other non-current assets	9	29.05	24.93
<b>Total non-current assets</b>		<b>1,051.22</b>	<b>1,087.11</b>
<b>Current assets</b>			
Inventories	10	505.58	504.87
<b>Financial assets</b>			
(i) Trade receivables	11	373.51	345.94
(ii) Cash and cash equivalents	12	2.33	3.85
(iii) Bank balances other than (ii) above	13	8.58	7.51
(iv) Loans	14	8.39	-
(v) Other financial assets	15	51.81	47.16
Other tax assets (net)	16	3.06	-
Other current assets	17	47.83	38.97
Assets classified as held for sale	17A	0.13	7.94
<b>Total current assets</b>		<b>1,001.22</b>	<b>956.24</b>
<b>Total assets</b>		<b>2,052.44</b>	<b>2,043.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	16.38	16.38
Other equity	19	803.59	877.71
<b>Total equity</b>		<b>819.97</b>	<b>894.09</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	20	333.40	324.66
(ii) Lease liabilities	46	0.56	0.56
(iii) Other financial liabilities	21	6.52	6.52
Provisions	22	10.09	12.73
Other non-current liabilities	24	0.85	1.85
<b>Total non-current liabilities</b>		<b>351.42</b>	<b>346.32</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	25	595.71	551.31
(ii) Trade payables	26		
(a) Total outstanding dues of micro enterprises and small enterprises and,		39.02	28.51
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		139.09	130.89
(iii) Other financial liabilities	27	71.81	56.82
Other current liabilities	28	20.33	19.80
Provisions	29	15.09	15.61
<b>Total current liabilities</b>		<b>881.05</b>	<b>802.94</b>
<b>Total liabilities</b>		<b>1,232.47</b>	<b>1,149.26</b>
<b>Total equity and liabilities</b>		<b>2,052.44</b>	<b>2,043.35</b>
Material accounting policies	2		

The accompanying notes form an integral part of these standalone financial statements.  
As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Regn. No.101248W / W-100022

**Shashank Agarwal**  
Partner  
Membership No : 095109  
Place : Mumbai  
Date: 05 May 2026

For and on behalf of the Board of Directors of  
**Sutlej Textiles and Industries Limited**

**Rohit Dhoot**  
Director  
DIN : 00016856  
Place : Mumbai  
Date: 05 May 2026

**Ashish Kumar Srivastava**  
Whole time Director and CEO  
DIN : 06527942  
Place: Mumbai  
Date: 05 May 2026

**Sachin J Karwa**  
Chief Financial Officer  
M.No. : 115188  
Place: Mumbai  
Date: 05 May 2026

**C. S. Nopany**  
Executive Chairman  
DIN : 00014587  
Place : Mumbai  
Date: 05 May 2026

**Manoj Contractor**  
Company Secretary  
M.No. : A11661  
Place: Mumbai  
Date: 05 May 2026

## Standalone statement of profit and loss for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	30	2,565.68	2,642.36
Other income	31	18.96	22.61
<b>Total income</b>		<b>2,584.64</b>	<b>2,664.97</b>
<b>Expenses</b>			
Cost of materials consumed	32	1,410.91	1,489.15
Purchase of stock-in-trade		19.36	49.32
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(13.70)	(15.67)
Employee benefits expense	34	437.79	438.01
Finance costs	35	65.79	61.48
Depreciation and amortisation expense	36	107.86	109.80
Other expenses	37	645.14	635.98
<b>Total expenses</b>		<b>2,673.15</b>	<b>2,768.07</b>
<b>Loss before exceptional items and tax</b>		<b>(88.51)</b>	<b>(103.10)</b>
Exceptional items	38	22.51	22.70
<b>Loss before tax</b>		<b>(111.02)</b>	<b>(125.80)</b>
<b>Tax expense:</b>	23		
Current tax		-	-
Deferred tax		(31.17)	(41.60)
<b>Total tax expenses</b>		<b>(31.17)</b>	<b>(41.60)</b>
<b>Loss for the year</b>		<b>(79.85)</b>	<b>(84.20)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans	23	8.81	3.14
Income tax relating to remeasurement of defined benefit plans		(3.08)	(1.10)
<b>Total other comprehensive income for the year, net of tax</b>		<b>5.73</b>	<b>2.04</b>
<b>Total comprehensive loss for the year</b>		<b>(74.12)</b>	<b>(82.16)</b>
<b>Earnings per equity share of face value of Rs 1 each</b>	39		
Basic and diluted (in Rs.)		<b>(4.87)</b>	<b>(5.14)</b>
Material accounting policies	2		

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

### For B S R & Co. LLP

Chartered Accountants

ICAI Firm Regn. No.101248W / W-100022

### Shashank Agarwal

Partner

Membership No : 095109

Place : Mumbai

Date: 05 May 2026

For and on behalf of the Board of Directors of

**Sutlej Textiles and Industries Limited**

### Rohit Dhoot

Director

DIN : 00016856

Place : Mumbai

Date: 05 May 2026

### C. S. Nopany

Executive Chairman

DIN : 00014587

Place : Mumbai

Date: 05 May 2026

### Ashish Kumar Srivastava

Whole time Director and CEO

DIN : 06527942

Place: Mumbai

Date: 05 May 2026

### Sachin J Karwa

Chief Financial Officer

M.No. : 115188

Place: Mumbai

Date: 05 May 2026

### Manoj Contractor

Company Secretary

M.No. : A11661

Place: Mumbai

Date: 05 May 2026

## Standalone statement of Cash Flows for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
<b>A. Cash flow from operating activities</b>		
Loss before tax	(111.02)	(125.80)
<b>Adjustments for :</b>		
Depreciation and amortisation expense	107.86	109.80
Gain on sale/discard of property, plant and equipment (net)	(2.63)	(4.32)
Finance costs (net of interest subsidies)	65.79	61.48
Interest income	(7.40)	(8.43)
Deferred government grants	(1.00)	(1.03)
Loss allowance for doubtful debts	0.25	3.73
Provision for claims/contingencies	4.27	-
Unrealised (gain)/ loss on foreign currency fluctuations (net)	(3.43)	0.67
Fair value (gain)/ loss on derivatives	12.50	(0.81)
Impairment loss on investment in wholly owned subsidiary (refer note 38)	20.74	22.70
Loss on sale of captive co-generation power plant (refer note 38)	1.29	-
Provision no longer required and unclaimed balances written back	(1.06)	(1.58)
<b>Operating profit before working capital adjustment</b>	<b>86.16</b>	<b>56.41</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in inventories	(0.71)	(7.54)
(Increase) in trade receivables	(19.61)	(6.61)
(Increase)/ Decrease in other financial assets	(5.64)	15.01
(Increase) in other assets	(10.57)	(2.46)
Increase in trade payables	19.34	10.03
Increase/(Decrease) in other financial liabilities	2.90	(1.17)
Increase in provisions	1.38	5.38
Increase in other liabilities	3.67	0.76
<b>Cash generated from operations</b>	<b>76.92</b>	<b>69.81</b>
Income tax paid (net of refund)	(2.75)	(0.12)
<b>Net cash generated from operating activities</b>	<b>74.17</b>	<b>69.69</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from maturity of bank deposits	6.57	44.12
Investment in bank deposits	(7.64)	(48.69)
Interest received	6.93	7.92
Purchase of Investments	(5.71)	-
Investment in wholly owned subsidiary	-	(28.30)
Purchase of property, plant and equipment (including CWIP and intangible assets)	(64.35)	(65.06)
Loan to wholly owned subsidiary	-	(6.42)
Refund received from Small Industries Development Corporation (SIDCO)	-	31.21
Proceeds from sale of property, plant and equipment	6.83	5.69
<b>Net cash used in investing activities</b>	<b>(57.37)</b>	<b>(59.53)</b>
<b>C. Cash flow from financing activities</b>		
Principal repayment of long term borrowings	(129.47)	(96.04)
Proceeds from long term borrowings	135.00	179.80
Net proceeds/ (repayment) of short term borrowings	42.96	(29.66)
Finance costs paid (net of interest subsidies)	(66.76)	(62.99)
Repayment of lease liabilities (including Interest)	(0.05)	(0.06)
<b>Net cash used in financing activities</b>	<b>(18.32)</b>	<b>(8.95)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(1.52)</b>	<b>1.21</b>
Cash and cash equivalents at the beginning of the year*	3.85	2.64
Cash and cash equivalents at the end of the year*	2.33	3.85
	<b>(1.52)</b>	<b>1.21</b>

## Standalone statement of Cash Flows for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

### Notes:

- The Statement of cash flow has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
- Changes in liabilities arising from financing activities

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Opening balance of borrowings and lease liabilities</b>		
Term loan (including current maturities)	453.86	371.37
Current borrowings	422.11	452.89
Interest Accrued	1.12	1.41
Lease liabilities	0.56	0.57
<b>Cash flows</b>		
Principal repayment of long term borrowings	(129.47)	(96.04)
Proceeds from long term borrowings	135.00	179.80
Change in current borrowings (net)	42.96	(29.66)
Finance costs paid (net of interest subsidies)	(66.76)	(62.99)
Repayment of lease liabilities (including Interest)	(0.05)	(0.06)
<b>Non-cash changes</b>		
Upfront fees amortised	0.48	1.27
Exchange fluctuation changes	5.13	(1.12)
Finance costs	65.26	60.16
Interest on lease liabilities	0.05	0.05
<b>Closing balance of borrowings and lease liabilities</b>		
Term loan (including current maturities)	458.91	453.86
Current borrowings	470.20	422.11
Interest Accrued	0.58	1.12
Lease liabilities	0.56	0.56

\* Refer note 12 for details.

\* Cash and cash equivalents include bank overdraft that are repayable on demand and form an integral part of the company cash management.

Material accounting policies (refer note 2)

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

### For B S R & Co. LLP

Chartered Accountants

ICAI Firm Regn. No.101248W / W-100022

### Shashank Agarwal

Partner

Membership No : 095109

Place : Mumbai

Date: 05 May 2026

For and on behalf of the Board of Directors of

**Sutlej Textiles and Industries Limited**

### Rohit Dhoot

Director

DIN : 00016856

Place : Mumbai

Date: 05 May 2026

### C. S. Nopany

Executive Chairman

DIN : 00014587

Place : Mumbai

Date: 05 May 2026

### Ashish Kumar Srivastava

Whole time Director and CEO

DIN : 06527942

Place: Mumbai

Date: 05 May 2026

### Sachin J Karwa

Chief Financial Officer

M.No. : 115188

Place: Mumbai

Date: 05 May 2026

### Manoj Contractor

Company Secretary

M.No. : A11661

Place: Mumbai

Date: 05 May 2026

## Standalone statement of changes in Equity for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

### (a) Equity share capital

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Change in equity share capital during the current year	-	-	-	-
<b>Balance at the end of the year</b>	<b>16,38,28,620</b>	<b>16.38</b>	<b>16,38,28,620</b>	<b>16.38</b>

### (b) Other equity

Particulars	Reserves and surplus		Items of other comprehensive income (Remeasurement of defined benefit plans net of tax) {refer note 19 b(ii)}	Total other equity
	General reserve	Retained earnings		
<b>Balance as at 01 April 2024</b>	<b>208.06</b>	<b>740.05</b>	<b>11.76</b>	<b>959.87</b>
Loss for the year	-	(84.20)	-	(84.20)
Other comprehensive income for the year	-	-	2.04	2.04
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(84.20)</b>	<b>2.04</b>	<b>(82.16)</b>
<b>Balance as at 31 March 2025</b>	<b>208.06</b>	<b>655.85</b>	<b>13.80</b>	<b>877.71</b>
Loss for the year	-	(79.85)	-	(79.85)
Other comprehensive income for the year	-	-	5.73	5.73
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(79.85)</b>	<b>5.73</b>	<b>(74.12)</b>
<b>Balance as at 31 March 2026</b>	<b>208.06</b>	<b>576.00</b>	<b>19.53</b>	<b>803.59</b>

Material accounting policies (refer note 2)

The accompanying notes form an integral part of these standalone financial statements.  
As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Regn. No.101248W /  
W-100022

For and on behalf of the Board of Directors of  
**Sutlej Textiles and Industries Limited**

**Shashank Agarwal**  
Partner  
Membership No : 095109  
Place : Mumbai  
Date: 05 May 2026

**Rohit Dhoot**  
Director  
DIN : 00016856  
Place : Mumbai  
Date: 05 May 2026

**C. S. Nopany**  
Executive Chairman  
DIN : 00014587  
Place : Mumbai  
Date: 05 May 2026

**Ashish Kumar Srivastava**  
Whole time Director and CEO  
DIN : 06527942  
Place: Mumbai  
Date: 05 May 2026

**Sachin J Karwa**  
Chief Financial Officer  
M.No. : 115188  
Place: Mumbai  
Date: 05 May 2026

**Manoj Contractor**  
Company Secretary  
M.No. : A11661  
Place: Mumbai  
Date: 05 May 2026

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

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

## 1. Company Information

Sutlej Textiles and Industries Limited (herein after referred to as "the Company") is domiciled in India with its registered office situated at Pachpahar Road, Bhawanimandi - 326502, Rajasthan. The Company has been incorporated under the provisions of Indian Companies Act 2013 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Limited. The Company, primarily, deals in recycled polyester staple fibre cotton and man-made fibres yarn and home textiles.

## 2. Summary of material accounting policies

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

### 2.1 Basis of preparation

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the board of directors on their meeting held on 05 May 2026.

### 2.2 Basis of measurement

The standalone financial statements have been prepared under the historical cost basis except for the following items: -

- ❖ Defined benefit liability/(assets): Fair value of plan assets less present value of defined benefit obligation
- ❖ Certain financial assets and liabilities (including financial instrument) – measured at Fair value;
- ❖ Other financial assets and liabilities- measured at amortised cost.

Fair value is the price that would be received upon sale of an asset or paid upon transfer of 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 take 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 the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in impairment of assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

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, as described below:

- ❖ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- ❖ Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- ❖ Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset and liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of fair value hierarchy, the fair value measurement is categorised in its entirety in the same level as the lowest level of input i.e. significance of the entire measurement.

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

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

## Functional and presentation currency

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

## 2.3 Use of judgements and estimates

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

### Judgements

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

- ❖ revenue recognition: whether revenue is recognised over time or at a point in time;
- ❖ lease term: whether the Group is reasonably certain to exercise extension options.

### Assumptions and estimation uncertainties

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

- ❖ Measurement of defined benefit obligations: key actuarial assumptions; (note 43)
- ❖ Useful life and residual value of property, plant and equipment, and intangible assets
- ❖ Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (note 40)
- ❖ Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note 45)
- ❖ Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note 3 and 4)

## 2.4 Classification of assets and liabilities as current and non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

An liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

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

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.5 Property, plant and equipment

#### Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital work in progress) are measured at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of property, plant and equipment's comprises its purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use and cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.

Freehold land is carried at historical cost less any accumulated impairment losses, if any.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### Transition to Ind AS

The cost of property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

#### Subsequent expenditure

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

#### \*Depreciation

Depreciation on property, plant and equipment is calculated on straight line method and is recognized in the Statement of Profit and Loss. The rates are arrived at based on the estimated useful lives given in schedule II of the Companies Act, 2013 or re-assessed by the Company basis technical evaluation and consequent advice from management expert, as given below: -

Assets	Useful life as per technical assessment/ management estimate	Useful life as per Schedule II of Companies Act
factory buildings	58 years	60 years
Factory buildings	30 years	30 years
Plant and equipment	18 years and 4 months / 20 years / 15 years/ 3 years and 6 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	5-10 years	10 years
Vehicles	8 years and 10 years	8 years and 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and changes, if any, are accounted for prospectively.

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

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

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions/ (disposal) of assets is calculated on pro-rata basis i.e. from (upto) the date on which asset is ready for use/ (disposed off). Leasehold land is being amortised over the period of lease tenure. Additions on rented premises (offices and guest houses) are being amortised over the period of rent agreement.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

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

### Capital work-in-progress\*

Capital work-in-progress includes assets in the course of construction for production/ and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss at reporting date. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized. Directly attributable cost (including borrowing for acquisition of asset) incurred are treated as pre-operative expenses.

## 2.6 Intangible assets

Intangible assets including computer software acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the software is considered as 3 to 6 years (Depend on software licence period) against useful life of 3 years computed as per Companies Act, 2013.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively to the company and the cost can be measured reliably. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in their specific asset to which it relates.

An intangible asset is recognised only if it is probable that future economic benefits are expected will flow. 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 the Statement of Profit and Loss when the asset is derecognised.

### Transition to Ind AS

The cost of Intangible assets at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

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

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets, investment property and property, plant and equipment are no longer amortised or depreciated.

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

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

### 2.8 Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate assets belongs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in Statement of Profit & Loss. Impairment loss in respect of assets is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

### 2.9 Borrowing cost

Borrowing cost are interest and other cost incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### 2.10 Foreign currency transactions

The financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency. All amounts have been rounded off to the nearest crores, except share data and as stated otherwise.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency at the exchange rate at the date the transaction or an average rate if average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

Exchange difference on foreign currency borrowings included in the borrowing cost when they regarded as an adjustment to interest costs on those foreign currency borrowings.

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

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

## Conversion

Foreign currency monetary items are reported using the closing foreign currency exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

## 2.11 Employee benefits

### a. Short term employee benefits

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

### b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards Government administered provident fund scheme and also towards superannuation scheme. Obligations for contributions to defined contribution plans are expensed as an employee benefit expense in Statement of Profit or Loss in the period in which the related service is rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### c. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity/ benefit scheme is defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

Remeasurement of the net defined benefit liability comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. When the benefits of the plan are changed or curtailed resulting change in benefit that relates to past service is 'Past service cost' or 'Past service Gain'. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Defined benefit costs are categorised as follows:

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

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

- ❖ service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ❖ net interest expense or income; and
- ❖ remeasurement of net defined benefit liability

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

### d. Other long-term employee benefits (Compensated absences)

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in statement of profit and loss in the period in which they arise. The obligations are presented as current liability in the balance sheet if the company does not have an unconditional right to defer the settlement for at least 12 months after the reporting date.

## 2.12 Revenue from contract with customer's

Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- ❖ **Step 1:** Identify the contract with the customer
- ❖ **Step 2:** Identify the performance obligations in the contract
- ❖ **Step 3:** Determine the transaction price
- ❖ **Step 4:** Allocate the transaction price to the performance obligations
- ❖ **Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

### Sales of goods

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Revenue is recognised when the controls of goods, are transferred to the buyer as per terms of contract i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### Export incentives

Export entitlements in the form of duty drawback, remission of duties and taxes on export products and other schemes are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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

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

## Interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is when shareholders approve the dividend.

## Scrap Sales

Income from sale of the scrap is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract.

## Insurance claim

Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable, and the ultimate collection is reasonably certain.

## Job Work

Revenue from job work charges is recognised on an accrual basis as and when the services are rendered as per the terms of the arrangement with respective customers.

## 2.13 Government grants and subsidies

Grants from the government are recognised as deferred income at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions attached thereto.

Government grants that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a systematic basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

## EPR Credits

Extended Producer Responsibility credit income is recognised in the Statement of Profit & Loss when there is a reasonable assurance that the income will be received and the Company will comply with all attached conditions.

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

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

### 2.14 Inventories

**Inventories are valued as follows:**

Raw materials, Stock in trade, dyes and chemicals, stores and spares and consumables	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and an appropriate share of fixed production overheads based on normal operating capacity and other cost incurred in bringing them to their present location and condition. Cost is determined on weighted average basis. The Net realisable value of work in progress is determined with reference to selling price of finished goods.
Waste material	At net realisable value.

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

### 2.15 Trade receivables

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

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract.

Loss allowance for expected lifetime credit loss is recognised on initial recognition.

### 2.16 Provisions and contingent liabilities

#### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

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

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

### 2.17 Measurement of fair value

#### a Financial instruments

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

#### b Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on market comparison techniques utilizing significant unobservable data, primarily cash flow based models.

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and Earnings before tax, interest and depreciation (EBITDA) of the investee. The estimate is adjusted for the effect of the non-marketable of the relevant equity securities.

If fair value cannot be measured reliably unlisted shares are recognized at cost.

#### c Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risk respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recorded directly to statement of profit and loss.

### 2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated.

All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### A) Financial Assets

##### Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- a) At amortised cost
- b) At fair value through profit and loss (FVTPL)
- c) At fair value through other comprehensive income (FVTOCI)

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

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

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial asset is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss. This category generally applies to trade and other receivables.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated at FVTPL:

- ❖ it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### Equity Instruments

All equity instruments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income.

The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments in Subsidiaries which meet the definition of an equity instrument or provide access to returns associated with an underlying ownership interest are carried at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

Investments in Subsidiaries which do not meet the definition of an equity instrument or provide access to returns associated with an underlying ownership interest in subsidiaries are accounted as financial instruments and initially recognised at its fair value. The difference, if any, between the fair value and the consideration given is recognised as an additional investment (deemed contribution) by the Company.

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

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

### Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

When the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

### Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and contract assets with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and contract assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information. The Company considers a financial asset to be in default when the asset is unlikely to be realised in full.

### Credit Impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data:

- significant financial difficulty of the debtor;
- breach of contract such as default, or;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

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

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

### Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### Write Off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### B) Financial liabilities and Equity instruments

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

#### Subsequent measurement

##### (i) Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

##### (ii) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## 2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive Income.

### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable reflects the best estimates of the tax amount expected to be paid on received. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if, the Company:

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

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

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

### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose in the balance sheet and the corresponding tax bases used for taxation purpose. 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 assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary difference.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

Current and deferred tax are recognised in the Statement of Profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.20 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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.

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

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

### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a lease liability at the lease commencement date. The cost of the right-of-use asset is initially measured at cost which comprise of the amount of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred 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. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability initially at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense in Statement of Profit & Loss on a straight-line basis over the lease term.

### 2.21 Segment reporting

"An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transaction with any of the company's other component, and for which discrete financial information is available. All operating segments, operating results are reviewed regularly by CODM to make decisions about resource to be allocated to the segments and assess their performance."

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

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

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

The Board of Directors of the Company have been identified as being the Chief Operating Decision Maker by the management of the Company.

The Company's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

- a) Yarn: It comprises of recycle polyester staple fibre, cotton and man made fibres yarn;
- b) Home textiles : It comprises of home furnishing and fabric processing

Refer note 41 for segment information presented.

### 2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

### 2.23 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.24 Dividend

The Company recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.25 Recent Pronouncements

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities

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

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

and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

- 3 Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

### **Amendment issued but not effective:**

The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, introduced changes to Ind AS 1 – Presentation of Financial Statements, effective from 01 April 2026. These amendments provide guidance when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment. This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, accounting Estimates and Errors.

The Company has considered these amendments and expects that there will be no impact on the financial statements.

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

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

### 3. A. Property, plant and equipment

Particulars	Freehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment	Total
<b>Gross Block</b>							
<b>Balance as at 01 April 2024</b>	<b>54.50</b>	<b>580.38</b>	<b>1,253.30</b>	<b>12.16</b>	<b>18.21</b>	<b>15.40</b>	<b>1,933.95</b>
Additions during the year	-	1.06	54.80	1.22	0.48	2.11	59.67
Disposals during the year	-	0.01	10.07	0.44	0.08	0.46	11.06
<b>Balance as at 31 March 2025</b>	<b>54.50</b>	<b>581.43</b>	<b>1,298.03</b>	<b>12.94</b>	<b>18.61</b>	<b>17.05</b>	<b>1,982.56</b>
Additions during the year	-	2.27	61.25	0.14	0.87	1.39	65.92
Disposals during the year	-	0.04	4.42	0.23	0.01	0.10	4.80
<b>Balance as at 31 March 2026</b>	<b>54.50</b>	<b>583.66</b>	<b>1,354.86</b>	<b>12.85</b>	<b>19.47</b>	<b>18.34</b>	<b>2,043.68</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at 01 April 2024</b>	<b>-</b>	<b>120.33</b>	<b>734.55</b>	<b>7.37</b>	<b>10.90</b>	<b>11.47</b>	<b>884.62</b>
Depreciation during the year	-	16.80	88.37	1.09	1.25	1.66	109.17
Disposals during the year	-	0.09	8.58	0.39	0.06	0.41	9.53
<b>Balance as at 31 March 2025</b>	<b>-</b>	<b>137.04</b>	<b>814.34</b>	<b>8.07</b>	<b>12.09</b>	<b>12.72</b>	<b>984.26</b>
Depreciation during the year	-	16.74	86.53	1.01	1.20	1.84	107.32
Disposals during the year	-	0.01	3.65	0.21	0.01	0.10	3.98
<b>Balance as at 31 March 2026</b>	<b>-</b>	<b>153.77</b>	<b>897.22</b>	<b>8.87</b>	<b>13.28</b>	<b>14.46</b>	<b>1,087.60</b>
<b>Net Block</b>							
<b>Balance as at 31 March 2025</b>	<b>54.50</b>	<b>444.39</b>	<b>483.69</b>	<b>4.87</b>	<b>6.52</b>	<b>4.33</b>	<b>998.30</b>
<b>Balance as at 31 March 2026</b>	<b>54.50</b>	<b>429.89</b>	<b>457.64</b>	<b>3.98</b>	<b>6.19</b>	<b>3.88</b>	<b>956.08</b>

#### Notes:

- Building, includes share of the company in a premises at Haridwar (jointly owned with others) having carrying value as at 31 March 2026 Rs. 0.53 crores and 31 March 2025 Rs.0.53 crores respectively (Original Cost Rs. 1.23 crores as at 31 March 2026 and Rs.1.23 crores as at 31 March 2025)
- Borrowing cost capitalised amounting to Rs. 0.09 crores (31 March 2025 Rs. 0.09 crores) under the head plant and equipment (refer note 42)
- Property, plant and equipment given as security for borrowings refer note 20 (a)
- Refer note no. 17A for Asset held for sale
- Refer note no. 40 (B) for Capital Commitment
- Immovable Property not held in name of the Company: In case of Kathua leasehold land having carrying value as at 31 March 2026 and 31 March 2025 Rs. 1.26 crores and Rs.1.19 crores respectively (Original cost Rs.1.53 crores as at 31 March 2026 and 31 March 2025 : Rs 1.53 crores) and in case of Baddi units freehold land having carrying value as at 31 March 2026 and 31 March 2025 Rs 0.08 crores (Original cost Rs 0.08.crores) are pending for registration in the name of the company. Details for the current and previous year are as follows:

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

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

### 3. A. Property, plant and equipment (Contd.)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	Also indicate if in dispute
Lease hold land	70 Kanal 5 Marla land, Kathua	1.40	Chenab Textile Mills (A unit of the Company)	No.	2006-07	The Company has submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in the Company's favour.	No.
Lease hold land	2 Kanal 4 Marla land, Kathua	0.13	Chenab Textile Mills (A unit of the Company)	No.	2007-08	The Company has submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in the Company's favour.	No.
Free hold Land	Free hold Land, Baddi	0.05	Sh. Ashok Kumar	No.	1992-93	For registration in the name of the Company, the Revenue Department has required a fresh agreement; however, the same could not be executed due to the demise of the landowner.	No.
Free hold Land	Free hold Land, Baddi	0.03	Sh. Ratna	No.	1992-93	For registration in the name of the Company, the Revenue Department has required a fresh agreement; however, the same could not be executed due to the demise of the landowner.	No.
<b>Total</b>		<b>1.61</b>					

### 3. B. Capital work-in-progress

Capital work-in-progress - Rs.8.79 crores (31 March 2025 : Rs.7.11 crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	7.11	7.69
Addition during the year	67.63	57.61
Less : written off during the year	0.03	-
Less Capitalised during the year	65.92	58.19
<b>Closing balance</b>	<b>8.79</b>	<b>7.11</b>

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

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

### 3. B. Capital work-in-progress (Contd.)

#### a) CWIP ageing schedule #

CWIP	Amount in CWIP for a period of			As at 31 March 2026
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	8.70	-	-	8.70
Projects temporarily suspended	-	-	0.09	0.09
<b>Total</b>	<b>8.70</b>	<b>-</b>	<b>0.09</b>	<b>8.79</b>

CWIP	Amount in CWIP for a period of			As at 31 March 2025
	Less than 1 year	1-2years	2-3years	
Projects in progress	7.02	-	-	7.02
Projects temporarily suspended	-	-	0.09	0.09
<b>Total</b>	<b>7.02</b>	<b>-</b>	<b>0.09</b>	<b>7.11</b>

# As of 31 March 2026 and 31 March 2025, there are no delayed projects in progress.

### 3. C. Right-of-use assets\*

Particulars	Gross block		Accumulated Depreciation		Net Block	
	As At 31 March 2025	As At 31 March 2026	As At 31 March 2025	Disposals during the year	As At 31 March 2026	As At 31 March 2025
Right-of-use assets (Lease hold land)	4.49	4.49	0.54	0.06	3.89	3.95
	<b>4.49</b>	<b>4.49</b>	<b>0.54</b>	<b>0.06</b>	<b>3.89</b>	<b>3.95</b>

Particulars	Gross block		Accumulated Depreciation		Net Block	
	As At 31 March 2024	As At 31 March 2025	As At 31 March 2024	Disposals during the year	As At 31 March 2025	As At 31 March 2024
Right-of-use assets (Lease hold land)	4.49	4.49	0.48	0.06	3.95	4.01
	<b>4.49</b>	<b>4.49</b>	<b>0.48</b>	<b>0.06</b>	<b>3.95</b>	<b>4.01</b>

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

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

### 4. Intangible assets

Particulars	Gross block		Accumulated Depreciation		Net Block	
	As At 31 March 2025	Additions during the year	Disposals during the year	As At 31 March 2025	Disposals during the year	As At 31 March 2025
Software	4.87	0.25	-	3.90	0.48	0.74
	<b>4.87</b>	<b>0.25</b>	<b>-</b>	<b>3.90</b>	<b>0.48</b>	<b>0.74</b>
						<b>0.97</b>
						<b>0.97</b>

Particulars	Gross block		Accumulated Depreciation		Net Block	
	As At 31 March 2024	Additions during the year	Disposals during the year	As At 31 March 2024	Disposals during the year	As At 31 March 2024
Software	4.64	0.23	-	3.33	0.57	0.97
	<b>4.64</b>	<b>0.23</b>	<b>-</b>	<b>3.33</b>	<b>0.57</b>	<b>0.97</b>
						<b>1.31</b>
						<b>1.31</b>

### 5. Non current investments

Particulars	As at March 31, 2026	As at March 31, 2025
<b>A. Investment in equity instruments (fully paid-up) valued at FVTPL</b>		
<b>Unquoted</b>		
50 (31 March 2025: 50) equity shares of The Jhalawar Nagrik Sahkari Bank Ltd (JNSB) of Rs 100 each *	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
*The total amount of investments in absolute value is Rs. 5,000 (31 March 2025: Rs. 5,000), for reporting purpose rounded up to Rs. 0.0 Crores.		
<b>B. Investment in wholly owned subsidiary (fully paid up) valued at cost</b>		
<b>Unquoted</b>		
7,500 (31 March 2025: 7,500) equity shares of Suttlej Holdings Inc. of USD 1,000 each	52.83	52.83
20,885 (31 March 2025: 20,885) equity shares of Suttlej Holdings Inc. of USD 158 each	28.30	28.30
Less : Loss allowance in investment value as per Ind AS 36 (refer note a below)	81.13	60.39
	<b>-</b>	<b>20.74</b>
<b>C. Investment in equity instruments (fully paid up) at amortised cost</b>		
<b>Unquoted</b>		
5,712,121 (31 March 2025 Nil) equity shares of Continuum Green Energy Ltd. of Rs. 10 each (Refer note b below)	0.83	-
	<b>0.83</b>	<b>-</b>
<b>Total investments cost (A+B+C) (net of impairment)</b>	<b>0.83</b>	<b>20.74</b>
<b>Aggregate value of unquoted investment</b>	<b>81.96</b>	<b>81.13</b>
<b>Aggregate value of impairment in the value of investments</b>	<b>81.13</b>	<b>60.39</b>

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

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

### 5. Non current investments (Contd.)

#### Notes:

- a. The Company held investments in its wholly owned subsidiary in the United States of America (USA) which has further invested in a step-down subsidiary in USA. The Company assesses at each reporting date if there is an indication, based on either internal or external sources of information, that investments in the subsidiary (including step down subsidiary) may be impaired in accordance with Ind AS 36 "Impairment of Assets". Where such indicators exist, management performs impairment testing.

#### Year ended 31 March 2025

In performing such impairment assessment, the Company compares the carrying value of each of the identifiable cash-generating units ("CGUs") to which investments in the subsidiary (including step-down subsidiary) have been allocated with their respective recoverable amounts. The recoverable amount of the CGUs, which is based on the value in use derived from discounted forecast cash flow models to determine if any impairment loss should be recognised.

The step-down subsidiary of the company has incurred losses during the current year and previous years, resulting in erosion of its net worth. Accordingly, impairment assessments of the aforesaid CGU were carried out in earlier years using the value-in-use model, and impairment loss aggregating to Rs.60.39 crore was recognised under exceptional item up to 31 March 2025 (Refer Note 38(a)).

#### Year ended 31 March 2026

During the current year, the step-down subsidiary made a strategic decision to significantly curtail its business operations due to adverse market conditions and continued financial underperformance. Accordingly, management concluded that the carrying value of investment is not recoverable. Accordingly, the balance carrying amount of the investment of Rs. 20.74 crores has been written off and recognised as an 'Exceptional item' in the Statement of Profit and Loss. (refer Note 38(a))."

- b. The Company has invested in Continuum Green Energy Limited (the "CGEL") in accordance with the Share Purchase and Shareholders' Agreement, which provides the Company with the right to draw power from the wind-solar hybrid plant operated and maintained by the CGEL.

The investment has been accounted for in accordance with Ind AS 109 – Financial Instruments and is measured at fair value on initial recognition with interest being accreted at each reporting date. Subsequent measurement is carried out in line with the applicable classification under Ind AS 109.

### 6. Loans - Non Current

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless otherwise stated		
Loan to wholly owned subsidiary (including interest accrued thereon) (refer note 44) #	-	7.04
	-	<b>7.04</b>

# Classified in current loan (refer note 14)

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

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

### 7. Other non current financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated )		
Security Deposits	13.41	13.42
	<b>13.41</b>	<b>13.42</b>

### 8. Other tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax receivable	2.86	3.17
	<b>2.86</b>	<b>3.17</b>

### 9. Other non current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated)		
Capital advances	7.73	10.20
Balances with government authorities	16.13	13.86
Prepaid expenses	5.19	0.87
	<b>29.05</b>	<b>24.93</b>

### 10. Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
(Valued at lower of cost or net realisable value)		
Raw materials*	199.81	213.65
Dyes and chemicals	5.32	5.49
Work-in-progress	113.86	110.69
Finished goods	156.43	144.66
Stores, spare-parts and consumables**	19.03	18.01
Wastage material	11.13	12.37
	<b>505.58</b>	<b>504.87</b>
<b>Goods in transit included in above inventories are as under :</b>		
* Raw materials	9.09	5.27
** Stores, spare-parts and consumables	0.61	0.16

(a) Inventories are hypothecated to secure borrowings (refer note 20(a) and 25).

Inventories of finished goods have been written down to net realisable value by Rs 5.57 crores (31 March 2025 Rs 12.14 crores).

The company has devalued the aged inventory by Rs 8.10 crores (31 March 2025 Rs 5.55 crores).

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

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

### 11. Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Receivables considered good, Unsecured - Others*	373.51	345.94
Trade Receivables credit impaired	10.20	9.94
	<b>383.71</b>	<b>355.88</b>
Less: Loss allowance for credit impairment.	(10.20)	(9.94)
	<b>373.51</b>	<b>345.94</b>

#### Note

\*Out of above, trade receivables from Related Party is Rs.0.19 crores (31 March 2025 Rs.1.76 crores) (refer note 44)

- (a) Trade receivables are hypothecated to secure current borrowings (refer note 20(a) and 25)
- (b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies in which any director is a partner, or director or member.
- (c) The Company's exposure to credit and currency risk, and loss allowances related to trade receivables is disclosed in note 45.
- (d) **Trade Receivables ageing schedule.**

Particulars	Not due	As at 31 March 2026					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	333.11	36.98	3.42	-	-	-	373.51
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.13	4.42	3.64	1.68	9.87
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.16	-	-	0.17	0.33
(vii) Loss allowance for credit impairment	-	-	-	-	-	-	-
	-	-	(0.29)	(4.42)	(3.64)	(1.85)	(10.20)
<b>Total</b>	<b>333.11</b>	<b>36.98</b>	<b>3.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>373.51</b>

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

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

### 11. Trade receivables (Contd.)

#### (e) Trade Receivables ageing schedule.

Particulars	Not due	As at 31 March 2025					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	268.43	71.87	5.64	-	-	-	345.94
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	6.33	1.66	0.88	0.90	9.77
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	0.17	0.17
(vii) Loss allowance for credit impairment	-	-	-	-	-	-	-
	-	-	(6.33)	(1.66)	(0.88)	(1.07)	(9.94)
<b>Total</b>	<b>268.43</b>	<b>71.87</b>	<b>5.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>345.94</b>

### 12. Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
- In current accounts	2.07	3.64
Cash on hand	0.26	0.21
	<b>2.33</b>	<b>3.85</b>

### 13. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks:		
Unpaid dividend account	0.18	0.33
Deposits with original maturity for more than 3 months but less than 12 months	1.89	1.48
Deposits with original maturity for less than 12 months under lien against term loan (Refer note no 20(e))	6.51	5.70
	<b>8.58</b>	<b>7.51</b>

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

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

### 14. Loans- Current

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless otherwise stated		
Loans to wholly owned subsidiary (including interest accrued thereon) (refer note 6 & 44)	8.39	-
	<b>8.39</b>	<b>-</b>

### 15. Other current financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated )		
Export benefit receivable - considered good	33.87	27.48
EPR receivable - considered good	0.76	4.60
Government subsidies - considered good	7.91	8.19
Government subsidies - credit impaired	1.44	1.46
Less: Loss allowance for credit impairment	(1.44)	(1.46)
	<b>7.91</b>	<b>8.19</b>
Advances recoverable in cash	9.20	5.82
Forward contract receivables	-	0.90
Interest accrued on deposits	0.07	0.17
	<b>51.81</b>	<b>47.16</b>

### 16. Other tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax refund receivable	3.06	-
	<b>3.06</b>	<b>-</b>

### 17. Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated )		
Balances with government authorities (refer note 40A(5))	27.52	22.31
Duty paid under protest	0.48	0.54
Prepaid expenses	3.60	3.74
Advances to suppliers	15.62	12.38
Prepaid Gratuity (refer note 43)	0.61	-
	<b>47.83</b>	<b>38.97</b>

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

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

### 17. Other current assets (Contd.)

#### A Assets classified as held for sale

Particulars	As at March 31, 2026	As at March 31, 2025
Assets classified as held for sale (refer note below)	0.13	7.94
	<b>0.13</b>	<b>7.94</b>

(a) Refer note 38(b).

(b) The Company decided to sell other obsolete plant & equipment of Rs. 0.13 crores (31 March 2025 0.44 crores), which were originally purchased for production and manufacturing. The Company is actively searching for buyers to sell these assets. No liability is attached to these assets.

#### Non – current fair value measurements :

Assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets was determined using expected market realisable value using past trend and management assessment. Fair value measurement of assets held for sale is a level 3 measurement and key inputs under this approach are price per asset comparable for the machine in similar business and technology.

### 18. Equity Share capital\*

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Authorised:</b>		
500,000,000 equity shares of Rs.1/- each (31 March 2025: 500,000,000 of Rs.1/- each)	50.00	50.00
<b>Issued, subscribed and fully paid up:</b>		
163,828,620 equity Shares of Rs.1/- each (31 March 2025: 163,828,620 of Rs.1/- each )	16.38	16.38
	<b>16.38</b>	<b>16.38</b>

\* All shares are fully paid up

#### a. Terms and rights attached to equity shares

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

#### b. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at the commencement of period	16,38,28,620	16.38	16,38,28,620	16.38
<b>Balance at the end of period</b>	<b>16,38,28,620</b>	<b>16.38</b>	<b>16,38,28,620</b>	<b>16.38</b>

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

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

### 18. Equity Share capital\* (Contd.)

#### c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding or ultimate holding company of the Company.

#### d. Shareholders holding more than 5% shares in the company

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Percentage	No. of shares	Percentage
Ganges Securities Limited	3,04,16,970	18.57%	3,04,16,970	18.57%
Hargaon Investment & Trading Company Limited	1,71,13,960	10.45%	1,71,13,960	10.45%
New India Retailing and Investment Limited	1,70,63,040	10.42%	1,70,63,040	10.42%
Yashovardhan Investment and Trading Company Limited	1,48,68,360	9.08%	1,48,68,360	9.08%
Birla Institute of Technology and Science	1,12,86,580	6.89%	1,12,86,580	6.89%
The Hindustan Times Limited	98,03,690	5.98%	98,03,690	5.98%
Ronson Traders Limited	97,23,730	5.94%	97,23,730	5.94%

#### e. There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

#### f. Disclosure of Shareholding of Promoters is as below:

##### Shares held by promoters at the end of the year

S. No	Promoter name	As at 31 March 2026			As at 31 March 2025		
		No. of Shares	% of total shares	Change during the year	No. of Shares	% of total shares	Change during the year
1	Ganges Securities Limited	3,04,16,970	18.57%	-	3,04,16,970	18.57%	-
2	Hargaon Investment and Trading Co. Ltd.	1,71,13,960	10.45%	-	1,71,13,960	10.45%	-
3	New India Retailing & Investment Ltd.	1,70,63,040	10.42%	-	1,70,63,040	10.42%	-
4	Yashovardhan Inv.& Trading Co. Ltd.	1,48,68,360	9.08%	-	1,48,68,360	9.08%	-
5	Ronson Traders Ltd.	97,23,730	5.94%	-	97,23,730	5.94%	-
6	OSM Investment & Trading Co. Ltd.	63,88,200	3.90%	-	63,88,200	3.90%	-
7	Champaran Marketing Co. Ltd.	30,98,100	1.90%	-	30,98,100	1.90%	-
8	SCM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
9	RTM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
10	Sidh Enterprises Ltd.	11,94,240	0.73%	-	11,94,240	0.73%	-
11	SIL Investments Ltd.	7,50,000	0.46%	-	7,50,000	0.46%	-
12	Sonali Commercial Ltd.	2,84,350	0.17%	-	2,84,350	0.17%	-
13	Shri Chandra Shekhar Nopany	1,10,000	0.07%	-	1,10,000	0.07%	-
14	Uttam Commercial Ltd.	9,000	0.01%	-	9,000	0.01%	-
15	Shekhar Family Trust	1,00,050	0.07%	-	1,00,050	0.07%	-
16	Nandini Nopany	100	0.00%	-	100	0.00%	-
		<b>10,47,78,660</b>	<b>64.01%</b>		<b>10,47,78,660</b>	<b>64.01%</b>	

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

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

### 19. Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
<b>a. General reserve</b>		
Balance at the beginning of year	208.06	208.06
<b>Balance at the end of year</b>	<b>208.06</b>	<b>208.06</b>
<b>b(i) Retained earnings</b>		
Balance at the beginning of year	655.85	740.05
Loss for the year	(79.85)	(84.20)
<b>Balance at the end of year</b>	<b>576.00</b>	<b>655.85</b>
<b>b(ii) Other comprehensive income</b>		
Balance at the beginning of year	13.80	11.76
Remeasurement of defined benefit plans, net of tax	5.73	2.04
<b>Balance at the end of year</b>	<b>19.53</b>	<b>13.80</b>
<b>Sub total ( b(i)+ b(ii) )</b>	<b>595.53</b>	<b>669.65</b>
<b>Total other equity</b>	<b>803.59</b>	<b>877.71</b>

#### Nature and purpose of reserves/ other equity

##### General reserve

The Company appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

##### Retained earnings:

Retained earnings are the profits that the Company has earned to date, less any transfers to general reserve, dividends or other distributions paid to investors.

##### Other comprehensive income

Remeasurements of defined benefit plans represents the following as per Ind AS 19-Employee Benefits:

- actuarial gains and losses;
- the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

##### Dividend

No dividend was declared and paid during the current or previous year. After the reporting date no dividend is proposed by the Board of Director of the company.

### 20. Non - Current Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Bank Loan	283.40	324.66
Unsecured loan from SIL Investments Ltd. - related party (refer note 44)	50.00	-
	<b>333.40</b>	<b>324.66</b>

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

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

### 20. Non - Current Borrowings (Contd.)

#### a. Securities

Term loans are secured by first equitable mortgage ranking pari-passu over the Company's immovable properties situated at Bhawanimandi (Rajasthan), Kathua (Jammu & Kashmir), Baddi (Himachal Pradesh) and Daheli-Gujarat (excluding the immovable property situated in Gujarat) and moveable assets (save and except book debts) both present and future, subject to prior charges created/to be created, in favour of bankers, on moveable assets including book debts to secure working capital borrowings.

#### b. Terms of repayment and interest schedule:

Secured loan from	Repayment frequency	Year of maturity	Rate of interest p.a. (%)	As at March 31, 2026	As at March 31, 2025
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	8.95	-	18.74
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2026-29	8.05 to 8.20	57.05	82.42
ICICI Bank, Kolkata	Quarterly	FY 2026-28	8.30 to 9.00	223.58	184.00
HDFC Bank, Jaipur	Quarterly	FY 2026-29	6.90 to 8.00	62.20	89.64
IndusInd Bank, Mumbai	Quarterly	FY 2031	7.25 to 8.25	66.08	79.06
				<b>408.91</b>	<b>453.86</b>
Less : Current maturities of long term debt (refer note 25)				125.51	129.20
				<b>283.40</b>	<b>324.66</b>

#### c. Terms of Unsecured loan

The loan is repayable either on demand or at the end of contractual term of 60 months from the date of disbursement whichever is earlier. The tenure of the loan may be extended by a further period of up to 24 months subject to mutual written agreement between the parties, whichever is earlier. The loan is unsecured and carries interest at the rate of 8.5% per annum. Refer note 44 for related party transaction.

- d. The Company's exposure to interest rate, foreign currency and liquidity risk is included in note 45.
- e. Fixed deposit less than 1 year of Rs 6.51 Crores at 31 March, 2026 is under lien with Indusind bank against term loan [Rs. 5.70 Crores at 31 March 2025] (refer note no 13).
- f. During the year ended 31 March 2026, the Company breached certain financial covenants under its loan arrangements with banks. These included covenants relating to Debt Service Coverage Ratio (DSCR), Current Ratio, EBITDA to Revenue from Operations ratio, and Interest Coverage Ratio with HDFC Bank, and Total Debt to EBITDA ratio and Debt Service Coverage Ratio (DSCR) with IndusInd Bank.

The Company obtained waivers from the respective banks for these covenant breaches. Such waivers are valid up to 31 March 2026. Accordingly, these borrowings have not been classified as payable on demand as at the reporting date.

### 21. Other non current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Trade deposits	6.49	6.49
Employee security deposits	0.03	0.03
	<b>6.52</b>	<b>6.52</b>

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

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

### 22. Non Current Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Provisions for employee benefit</b>		
Provision for compensated absences	10.09	12.73
	<b>10.09</b>	<b>12.73</b>

### 23 Deferred tax Assets (net)

#### A. Movement in deferred tax balances

Particulars	As at March 31, 2025	Recognised during the year	Utilised during the year	As at March 31, 2026
<b>Deferred tax assets</b>				
Unabsorbed Depreciation and Business Losses	77.09	21.44	-	98.53
Disallowance u/s 43B of Income Tax Act, 1961 #	15.29	-	2.61	12.68
Provision for doubtful debts and others	5.43	4.35	-	9.78
<b>Total (A)</b>	<b>97.81</b>	<b>25.79</b>	<b>2.61</b>	<b>120.99</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	90.33	-	4.91	85.42
<b>Total (B)</b>	<b>90.33</b>	<b>-</b>	<b>4.91</b>	<b>85.42</b>
<b>Net deferred tax assets (A)-(B)</b>	<b>7.48</b>	<b>25.79</b>	<b>(2.30)</b>	<b>35.57</b>

Particulars	As at March 31, 2024	Recognised during the year	Utilised during the year	As at March 31, 2025
<b>Deferred tax assets</b>				
Unabsorbed Depreciation and Business Losses	65.92	30.59	19.42	77.09
Disallowances u/s 43B of Income Tax Act, 1961 #	14.98	0.31	-	15.29
Provision for doubtful debts and others	4.87	0.56	-	5.43
<b>Total (A)</b>	<b>85.77</b>	<b>31.46</b>	<b>19.42</b>	<b>97.81</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	118.79	-	28.46	90.33
<b>Total (B)</b>	<b>118.79</b>	<b>-</b>	<b>28.46</b>	<b>90.33</b>
<b>Net deferred tax liabilities/( assets) (B)-(A)</b>	<b>33.02</b>	<b>(31.46)</b>	<b>9.04</b>	<b>(7.48)</b>

# Net of deferred tax recognised in other comprehensive income (refer note 23C below).

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

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

### 23 Deferred tax Assets (net) (Contd.)

- As of date, the Company has recognised deferred tax assets amounting to Rs. 98.53 crores (31 March 2025 Rs 77.09 crore), arising from unabsorbed depreciation and carried-forward tax losses. In accordance with the provisions of the Income Tax Act, 1961, tax losses can be carried forward as per below table. Based on the Company's business plans and projected profitability, management is confident in the recoverability of these deferred tax assets within the prescribed timeframe.

Particulars	Expiry Year	FY 25-26	FY 24-25
Unabsorbed depreciation FY 23-24	No Expiry	107.70	107.70
Business Loss during the FY 23-24	31 March 2033	78.46	78.46
Unabsorbed depreciation FY 24-25	No Expiry	79.06	90.29
Unabsorbed depreciation FY 25-26	No Expiry	72.32	-

- Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. Based on the future projections, the Company expects to shift under new tax regime from FY 2028-29. Consequently, credit of Rs. 7.00 Crores was recorded in the Statement of Profit and Loss during the previous year.

### B. Amounts recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(31.17)	(41.60)
	(31.17)	(41.60)
<b>Tax expenses</b>	<b>(31.17)</b>	<b>(41.60)</b>

### C. Amounts recognised in other comprehensive income

Particulars	For the year ended 31 March 2026			For the year ended 31 March 2025		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability	8.81	(3.08)	5.73	3.14	(1.10)	2.04
	<b>8.81</b>	<b>(3.08)</b>	<b>5.73</b>	<b>3.14</b>	<b>(1.10)</b>	<b>2.04</b>

### D. Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax from operations	(111.02)	(125.80)
Tax using the Company's domestic tax rate @ 34.94 % (31 March 2025: 34.94%)	(38.79)	(43.96)
<b>Tax effect of:</b>		
Non-deductible expenses	7.59	7.23
Effect of credit recognised on re-measurement of deferred tax balances (refer note 23 A (2))	-	(7.00)
Others	0.03	2.13
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>(31.17)</b>	<b>(41.60)</b>
<b>Effective tax rate</b>	<b>28.08%</b>	<b>33.07%</b>

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

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

### 24. Other non current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Deferred government grants</b>		
Capital subsidies on specific plant and machinery	0.85	1.85
	<b>0.85</b>	<b>1.85</b>
Movement of deferred government grants is as below:		
Balance at the beginning of the year	1.85	2.88
Grant amortised and transferred to statement of profit and loss	(1.00)	(1.03)
<b>Balance at the end of the year</b>	<b>0.85</b>	<b>1.85</b>

### 25. Current borrowings #

Particulars	As at March 31, 2026	As at March 31, 2025
Loan repayable on demand (Secured)*		
- From banks	466.56	411.21
Bills discounted**	-	7.03
Current maturities of Long term debt (refer note 20b)	125.51	129.20
Loan repayable on demand (Unsecured)		
HDFC Credit Card	3.64	3.87
	<b>595.71</b>	<b>551.31</b>

\* Working capital facilities from banks are secured/to be secured by hypothecation of moveable including book debts, both present and future, of the units, ranking pari-passu inter se.

\*\* Bills discounted are secured against the books debts and inventory.

# The Company has filed monthly/quarterly statements with banks and these are in agreement with books of accounts except as mentioned below:

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	(Excess)/ Shortage	Whether return/statement subsequently rectified
March 2025	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, DCB Bank,	Inventory net of trade payable	411.46	411.99	(0.53)	Yes*
March 2025		Trade Receivables	295.02	295.19	(0.17)	Yes*
June 2025	ICICI Bank, Federal Bank, Axis Bank and Kotak bank	Inventory net of trade payable	372.29	372.68	(0.39)	Yes*
September 2025		Inventory net of trade payable	355.93	356.38	(0.45)	Yes*
December 2025	ICICI Bank, Federal Bank, Axis Bank and Kotak bank	Inventory net of trade payable	367.08	368.07	(0.99)	Yes*
December 2025		Trade Receivables	274.34	274.42	(0.08)	Yes*

\*The Company regularly submits provisional drawing power (DP) statements on a monthly basis to Punjab National Bank (PNB) being the lead bank by the 15<sup>th</sup> of the following month and also to other member banks. The DP limit is computed in accordance with the terms and conditions outlined in the sanction letter. Discrepancies between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory and debtors are done as per the bank sanction letter. During the current year, the Company has submitted revised DP statements tallying with the books of account for the aforesaid periods. In FY 25-26, the actual utilization of working capital remained within the bank sanction/DP limits.

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

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

### 26. Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Total outstanding dues of micro enterprises and small enterprises and #	39.02	28.51
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	139.09	130.89
<b>Total</b>	<b>178.11</b>	<b>159.40</b>
<b>Note</b>		
The Company's exposure to credit and currency risk, and loss allowances related to trade payable is disclosed in note 45.		
# Dues to Micro Enterprises and Small Enterprises (as per the intimation received from vendors):		
a. Principal and interest amount remaining unpaid	39.02	28.51
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d. Interest accrued and remaining unpaid.	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
	<b>39.02</b>	<b>28.51</b>

#### f. Trade Payables ageing schedule

Particulars	As at 31 March 2026					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	27.25	11.20	0.49	0.08	0.00	39.02
(ii) Others	94.52	37.49	5.13	0.94	1.01	139.09
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>121.77</b>	<b>48.69</b>	<b>5.62</b>	<b>1.02</b>	<b>1.01</b>	<b>178.11</b>

#### g. Trade Payables ageing schedule

Particulars	As at 31 March 2025					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	9.15	19.25	0.11	-	-	28.51
(ii) Others	51.84	72.62	2.38	0.92	3.13	130.89
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>60.99</b>	<b>91.87</b>	<b>2.49</b>	<b>0.92</b>	<b>3.13</b>	<b>159.40</b>

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

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

### 27. Other current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid dividend	0.18	0.33
Interest accrued and due on borrowings	0.58	1.12
Employees related liabilities	53.29	50.35
Forward contract payables	11.60	-
Creditors for capital goods	2.18	1.15
Security deposits (Including retention money)	1.86	1.73
Director commission	0.54	0.54
Others	1.58	1.60
	<b>71.81</b>	<b>56.82</b>

### 28. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities	9.47	7.58
Advance against assets held for sale #	-	3.14
Statutory dues	10.86	9.08
	<b>20.33</b>	<b>19.80</b>

# Advance received against sale of Captive Co-Generation Power Plant ('CGPP') (refer note 17A) .

### 29. Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current provisions for employee benefit :</b>		
Compensated absences	2.50	2.97
Net defined benefit liability- Gratuity (refer note 43)	-	4.50
<b>Other Provisions</b>		
Contingencies	12.59	8.14
	<b>15.09</b>	<b>15.61</b>

#### Contingencies

Provision for disputed statutory matters has been made, where the Company anticipates probable outflow. The amount of provision is based on estimate made by the Company considering the facts and circumstances of each case. The timing and amount of cash flow will be determined by the relevant authorities on settlement of cases.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	8.14	7.98
Provision made during the year	4.45	0.17
Provision reversed/paid during the year	-	(0.01)
<b>Balance at the end of the year</b>	<b>12.59</b>	<b>8.14</b>

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

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

### 30. Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Sale of textile products (net of taxes)</b>		
Manufactured goods	2,464.02	2,503.08
Traded goods	21.31	53.05
<b>Total (i)</b>	<b>2,485.33</b>	<b>2,556.13</b>
<b>Sale of services</b>		
Job processing	32.65	32.12
Others	2.31	2.02
<b>Total (ii)</b>	<b>34.96</b>	<b>34.14</b>
<b>Total [(iii) = (i) + (ii)]</b>	<b>2,520.29</b>	<b>2,590.27</b>
<b>Other operating revenue</b>		
Export incentives	40.61	42.07
Income from Extended Producer Responsibility (EPR) Credits	4.78	10.02
<b>Total (iv)</b>	<b>45.39</b>	<b>52.09</b>
<b>Revenue from operations [(iii) + (iv)]</b>	<b>2,565.68</b>	<b>2,642.36</b>

#### Disaggregation of revenue from contract with customers

**Type of service:** The Company earns revenue primarily from selling of textile products and job work processing.

#### Recognition:

- Revenue from sale of goods is recognised when the performance obligation is satisfied. Revenue is recognised at point in time.
- Revenue from sale of services is recognised over point of time.
- Revenue from other operating revenue is recognised when the performance obligation is satisfied.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

#### A Revenue Stream

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Sale of textile products (net of taxes)</b>		
Manufactured goods	2,464.02	2,503.08
Traded goods	21.31	53.05
<b>Sale of services</b>		
Job processing	32.65	32.12
Others	2.31	2.02
<b>Other operating revenue</b>		
Export incentives	40.61	42.07
Income from EPR credits	4.78	10.02
<b>Revenue from operation</b>	<b>2,565.68</b>	<b>2,642.36</b>

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

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

### 30. Revenue from operations (Contd.)

#### B Disaggregation of revenue from contracts with customers

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Geographical wise</b>		
India	1,625.91	1,666.76
Outside India	894.38	923.51
<b>Revenue from operation excluding other operating income</b>	<b>2,520.29</b>	<b>2,590.27</b>
<b>Timing of revenue recognition</b>		
Product transferred at point of time	2,485.33	2,556.13
Services transferred over time	34.96	34.14
<b>Revenue from operation excluding other operating income</b>	<b>2,520.29</b>	<b>2,590.27</b>

#### C Reconciliation of revenue recognised with contract price

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	2,531.98	2,601.47
Adjustment for:		
Discount	10.41	8.85
Rebate and liability claim	1.28	2.35
<b>Total Revenue from contract price (excluding operating income)</b>	<b>2,520.29</b>	<b>2,590.27</b>

#### D Performance obligation

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### E Contract balances

The following table provide information about receivable and contract liabilities from contract with customers.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Receivables, which are included in "trade receivables"	373.51	345.94
Contract liabilities	9.47	7.58

The contract liabilities primary relate to the advance consideration received from customers for sales of products, for which revenue is recognised at a point in time. The amount of Rs. 7.58 crores included in contract liabilities as at 31 March 2025 has been recognised as revenue during the year ended 31 March 2026.

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

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

### 31. Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from financial assets measured at amortised cost:		
- deposits	0.50	0.26
- others	6.90	8.17
Gain on sale/discard of property, plant and equipment (net)	2.63	4.32
Foreign currency transactions and translation (net)	-	0.37
Provision no longer required and unclaimed balances written back	1.06	1.58
Insurance claims	0.23	0.26
Deferred government grants (refer note 24)	1.00	1.03
Miscellaneous income	6.64	6.62
	<b>18.96</b>	<b>22.61</b>

### 32. Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material consumed	1,325.90	1,402.13
Consumption of dyes and chemicals	85.01	87.02
	<b>1,410.91</b>	<b>1,489.15</b>

### 33. 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
<b>Closing inventory at the end of the year</b>		
Work-in-progress	113.86	110.69
Finished goods	156.43	144.66
Wastage material	11.13	12.37
<b>Total (A)</b>	<b>281.42</b>	<b>267.72</b>
<b>Opening inventory at the beginning of the year</b>		
Work-in-progress	110.69	100.29
Finished goods	144.66	139.07
Wastage material	12.37	12.69
<b>Total (B)</b>	<b>267.72</b>	<b>252.05</b>
<b>Total (B-A)</b>	<b>(13.70)</b>	<b>(15.67)</b>

### 34. Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	396.02	394.58
Contribution to provident and other funds	37.44	38.75
Staff welfare expenses	4.33	4.68
	<b>437.79</b>	<b>438.01</b>

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

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

### 35. Finance costs @

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses #	63.49	60.14
Exchange difference on the principal amount of foreign currency borrowing. *	1.26	0.63
Other borrowing costs	1.04	0.71
	<b>65.79</b>	<b>61.48</b>

@ Net of amount capitalized refer note 42 and note 3A

# Net of interest subsidies under various schemes amounting to Rs. 0.57 crores (31 March 2025 Rs.2.28 crores).

\*Exchange differences on the principal amount of the foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing costs have been disclosed as "Finance costs".

### 36. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (refer note 3A)	107.32	109.17
Amortisation on intangible assets (refer note 4)	0.48	0.57
Depreciation on right-of-use assets (refer note 3C)	0.06	0.06
	<b>107.86</b>	<b>109.80</b>

### 37. Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Processing and job charges	4.99	2.28
Consumption of stores, spares and consumables	101.32	101.48
Power, fuel and water charges	306.24	303.78
Rent	1.50	1.43
Insurance	9.32	8.66
Rates and taxes	0.93	0.65
Repairs and maintenance:		
Buildings	8.07	6.21
Plant and machinery	38.13	40.33
Others	2.71	2.97
Freight and forwarding expenses	79.94	87.53
Selling commission and brokerage	31.33	31.82
Charity and donation ##	0.04	0.53
Foreign currency transactions and translation (net)	12.76	-
Loss allowance for doubtful debts / write off (refer note 45 II (ii) )	0.25	3.73
Provision for claims/contingencies (refer note 29)	4.27	-
Directors' commission and fees	0.95	0.25
Travelling expenses	6.87	6.33
Vehicle expenses	7.46	7.83

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

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

### 37. Other expenses (Contd.)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Corporate social responsibility expenses (refer below note)	0.44	1.01
Miscellaneous expenses #	27.62	29.16
	645.14	635.98
# includes auditor's remuneration (net of taxes)		
As auditor:		
Statutory audit fee	0.66	0.66
In other Capacity	0.18	0.28
Reimbursement of expenses	0.10	0.11
	<b>0.94</b>	<b>1.05</b>

## Previous year includes Rs. 0.50 Crores given to Samaj Electoral Trust Association.

#### Details of corporate social responsibility expenses

As per Section 135 of Companies Act, 2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Company as per Companies Act, 2013. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Gross amount required to be spent during the year	-	0.96
Net CSR obligation for the year	-	<b>0.96</b>
(ii) Amount spent during the year \$		
(a) Construction/ acquisition of any asset	-	0.71
(b) For purposes other than (a) above	0.44	0.30
	<b>0.44</b>	<b>1.01</b>

\$ Above amount spent for health care & sanitation, promotion of sports activities, rural development & social welfare, animal welfare, promotion of education and others.

### 38. Exceptional items

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
- Impairment of investment in subsidiary (Refer note (a) below)	20.74	22.70
- Impairment of plant and equipment of CGPP (Refer note (b) below)	1.29	-
- Employee costs (New labour code impact) (Refer note (c) below)	0.48	-
	<b>22.51</b>	<b>22.70</b>

(a) The Company assessed the recoverability of its investment in its wholly owned subsidiary (including step-down subsidiary) in accordance with Ind AS 36. During the year ended 31 March 2026, the step-down subsidiary made a strategic decision to significantly curtail its business operations in the concerned segment due to adverse market conditions and continued financial underperformance. Accordingly, management concluded that the investment has suffered permanent diminution in value, and the balance carrying amount of Rs. 20.74 crores has been written off and recognised as an 'Exceptional Item' in the Statement of Profit and Loss.

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

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

### 38. Exceptional items (Contd.)

During the previous year ended 31 March 2025, the Company had carried out impairment assessment of its investment in wholly owned subsidiary (including step down subsidiary) in accordance with Ind AS 36 by comparing the carrying value of the investment with its recoverable amount. The recoverable amount was determined based on value in use derived from discounted forecast cash flow model performed by an independent valuer. As the carrying amount of the investment was determined to be higher than its recoverable amount, an impairment loss of Rs.22.70 crores was recognised as an 'Exceptional item' in the Statement of Profit and Loss.

- (b) During the year ended 31 March 2023, the plant and equipment of the Captive Co-Generation Power Plant (CGPP) were decommissioned and classified as "Assets Held for Sale," and an impairment loss of Rs. 20.51 crores was recognised. The earlier sale agreement was subsequently cancelled due to the buyer's non-fulfilment of contractual obligations, and the excess advance received was forfeited.

During the current year, the remaining CGPP assets were sold for Rs. 3.57 crores (excluding GST), resulting in an additional loss of Rs. 1.29 crores recognised under 'Exceptional Item' under Statement of Profit and Loss.

- (c) Effective 21 November 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four labour Codes collectively referred to as the 'New Labour Codes'. Under Ind AS 19, changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the Statement of Profit and Loss.

The New Labour Codes have resulted in one time increase in provision for employee benefit of the Company. The estimated incremental impact of the same amounting to Rs. 0.48 crores (including gratuity impact of Rs.0.23 crore) has been recognised and presented under 'Exceptional Item' in the Statement of Profit and Loss for the year ended 31 March 2026. The Company continues to monitor the finalisation of Central/ State Rules and any clarifications from the Government on other aspects of the New Labour Codes and would provide appropriate accounting effect in the relevant period on the basis of such developments as needed.

### 39. Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss for the year	(79.85)	(84.20)
Weighted average number of equity shares of Rs. 1/- each	16,38,28,620	16,38,28,620
Basic and diluted earnings per share ( in Rs.)	<b>(4.87)</b>	<b>(5.14)</b>

### 40. Contingent liabilities and commitments

Particulars	As at March 31, 2026	As at March 31, 2025
<b>A. Contingent liabilities (to the extent not provided for) in respect of:</b>		
1. Claim against the Company not acknowledged as debts: Labour matters (including matter in respect of which stay granted by respective Hon'ble High Court), except for which the liability is unascertainable	4.00	4.11
2. Other matters for which the Company is contingently liable:		
a) Demand raised by GST department for various matters (refer note 40A(5))	9.28	9.34
b) Bank Guarantee given for American Silk Mills*	-	20.54

\* The Company's has issued a stand by letter of credit to its step down subsidiary for obtaining credit facilities for general corporate purposes

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

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

### 40. Contingent liabilities and commitments (Contd.)

Particulars	As at March 31, 2026	As at March 31, 2025
<p>3. "Liability of customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to Rs. 9.84 crores (31 March 2025: Rs.7.84 crores).</p> <p>The Company had imported Capital goods under EPCG and saved the customs duty. As per the EPCG terms and conditions, Company needs to export Rs. 26.55 crores (31 March 2025: Rs.31.01 crores) i.e. 6 times (25% of 6 times in case of Jammu &amp; Kashmir) of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Company does not export goods in prescribed time, then the Company may have to pay interest and penalty thereon.</p> <p>Note: (i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.</p> <p>Note: (ii) The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.</p>		
<p>4 During the financial year 2022-23, The Company filed a writ petition with the Honourable High Court of Chhattisgarh against South Eastern Coalfields Limited (SECL) in relation to an unfulfilled commitment for coal supply and the issuance of debit notes amounting to Rs. 1.85 crore (including GST) for non-lifting of coal under the Minimum Guaranteed Offtake (MGO) clause. The Honourable High Court directed the matter for settlement. However, in the previous financial year, the Company withdrew the petition as the Settlement Committee did not grant any relief. Subsequently, the Company filed a fresh writ petition in the High Court against both SECL and Indian Railways. In the current financial year, the Honourable High Court ruled against the Company. Consequently, the Company is in the process of filing a civil suit before the Court in Bilaspur.</p>		
<p>5 During the previous year, the Company has received a notice from Directorate General of Analytics &amp; Risk Management (DGARM) for non-compliance relating to provisions of rule 96(10)) of the CGST Rules. The appeal filed before the Joint Commissioner (Appeals) was rejected, pursuant to which the Company has filed a writ petition before the Hon'ble High Court seeking re-credit of the said amount. Based on legal opinion obtained, the company is contesting for relief of interest and penalty, with no anticipated adverse implications on the company.</p>		
<b>B. Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for	2.93	8.09

### 41. Segment information

#### A. Description of segments and principal activities

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's internal reporting structure. The Board of Directors has been identified as the chief operating decision maker ('CODM'), since Board of Directors is responsible for all major decision with respect to the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility, etc. The Company's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

- Yarn:** It comprises of recycled polyester staple fibre, cotton and man made fibres yarn;
- Home textiles :** It comprises home furnishing and fabric processing

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

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

### 41. Segment information (Contd.)

The Company's board reviews the results of each segment on a quarterly basis. The Company's board of directors uses segment result to assess the performance of the operating segments.

#### B. Information about reportable segments

Information related to each reportable segment is set out below. Segment's earnings before interest and tax (EBIT) is used to measure the segment's performance because management believes that this information is the most relevant to evaluate the results of the respective segments for comparing it with other entities that operate in the same industries.

Reportable Segments	Yarn		Home textiles		Total	
	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
External revenues	2,399.41	2,484.76	169.08	160.60	2,568.49	2,645.36
Inter-segment revenue	2.81	3.00	-	-	2.81	3.00
<b>Segment revenue</b>	<b>2,396.60</b>	<b>2,481.76</b>	<b>169.08</b>	<b>160.60</b>	<b>2,565.68</b>	<b>2,642.36</b>
Segment result	(12.26)	(19.68)	(6.95)	(20.26)	(19.21)	(39.94)
Finance costs					65.79	61.48
Exceptional items (refer note 38)					22.51	22.70
Unallocated corporate income (net of expenses)					(3.51)	(1.68)
Profit before tax					<b>(111.02)</b>	<b>(125.80)</b>
Tax expense					(31.17)	(41.60)
Profit after tax					<b>(79.85)</b>	<b>(84.20)</b>

#### Other information

	Total assets			Total liabilities		
	Segment assets	Unallocated assets	Total assets	Segment liabilities	Unallocated liabilities	Total liabilities
<b>As at 31 March 2026</b>						
Yarn	1,753.84	-	1,753.84	728.10	-	728.10
Home textiles	226.56	-	226.56	110.98	-	110.98
Unallocated	-	72.04	72.04		393.39	393.39
<b>Total</b>	<b>1,980.40</b>	<b>72.04</b>	<b>2,052.44</b>	<b>839.08</b>	<b>393.39</b>	<b>1,232.47</b>
<b>As at 31 March 2025</b>						
Yarn	1,782.69	-	1,782.69	797.83	-	797.83
Home textiles	210.98	-	210.98	103.84	-	103.84
Unallocated	-	49.68	49.68		247.59	247.59
<b>Total</b>	<b>1,993.67</b>	<b>49.68</b>	<b>2,043.35</b>	<b>901.67</b>	<b>247.59</b>	<b>1,149.26</b>

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

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

## 41. Segment information (Contd.)

Capital expenditure	Segment capital expenditure
<b>As at 31 March 2026</b>	
Yarn	57.20
Home textiles	7.15
<b>Total</b>	<b>64.35</b>
<b>As at 31 March 2025</b>	
Yarn	62.69
Home textiles	2.37
<b>Total</b>	<b>65.06</b>

## C. Geographic information

The Yarn and Home Textile segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices, primarily, in India. The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

### a) Revenues from different geographies

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Domestic</b>	1,628.72	1,669.76
<b>Export *</b>	894.38	923.51
	<b>2,523.10</b>	<b>2,593.27</b>
<b>Other operating income</b>	45.39	52.09
<b>Segment revenue</b>	<b>2,568.49</b>	<b>2,645.36</b>
<b>*Export</b>		
Bangladesh	195.72	251.49
Turkey	158.82	132.70
Brazil	119.53	-
USA	56.70	76.21
Egypt	44.18	33.90
Others	319.43	429.21
	<b>894.38</b>	<b>923.51</b>

### b) Non-current assets\*\*

Particulars	As at March 31, 2026	As at March 31, 2025
India	1,011.96	1,048.68
Outside India	-	-
	<b>1,011.96</b>	<b>1,048.68</b>

\*\* Non-current assets exclude investments, loan and tax assets.

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

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

### 42. Borrowing cost

During the year, the Company has capitalised borrowing cost amounting to Rs. 0.09 crores (31 March 2025: Rs. 0.09 crores) under head plant and equipment. The capitalisation rate used to determine the amount of borrowing costs for capitalisation purpose is weighted average interest rate to the company i.e. 8.15% (31 March 2025 8.20%).

### 43 Employee benefits

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

#### (i) Defined contribution plans:

The Company makes contributions towards provident fund to a defined contribution benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of specified employment benefit expenses to the benefit plans.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contribution to provident fund	24.56	24.92
Contribution to employees' state insurance	5.21	5.29

#### (ii) Defined benefit plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. Gratuity liability (other than for Baddi units) is being contributed to the gratuity fund formed by the Company and in case of Baddi units, company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out at 31 March 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### A. Movement in net defined benefit (asset) liability

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

##### Reconciliation of present value of defined benefit obligation:

Particulars	As at and for the year ended 31 March 2026			As at and for the year ended 31 March 2025		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Balance at the beginning of the year	59.32	54.82	4.50	58.15	55.83	2.32
Amount Recognised in profit and loss						
Current service cost	6.40		6.40	7.63		7.63
Interest cost	4.15	(3.83)	0.32	4.13	(3.97)	0.16
	10.55	(3.83)	6.72	11.76	(3.97)	7.79

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

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

### 43 Employee benefits (Contd.)

Particulars	As at and for the year ended 31 March 2026			As at and for the year ended 31 March 2025		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Remeasurement						
Actuarial loss (gain) arising from:						-
- Changes in financial assumptions	(6.51)		(6.51)	0.61	-	0.61
- Changes in demographic assumption	-	-	-	-	-	-
- Changes in experience adjustment	(4.37)		(4.37)	(3.60)	-	(3.60)
Return on plan assets recognised in OCI		2.07	2.07	-	(0.15)	(0.15)
<b>Total amount recognised in OCI</b>	<b>(10.88)</b>	<b>2.07</b>	<b>(8.81)</b>	<b>(2.99)</b>	<b>(0.15)</b>	<b>(3.14)</b>
Contributions paid by the employer		3.24	-	-	2.44	-
Past Service Cost including curtailment Gains/Losses #	0.23		-		-	-
Benefits paid	(7.22)	(7.22)	-	(7.60)	(7.60)	-
Interest income		1.77	-	-	4.15	-
<b>Balance at the end of the year</b>	<b>52.00</b>	<b>52.61</b>	<b>(0.61)</b>	<b>59.32</b>	<b>54.82</b>	<b>4.50</b>

#Consequent to the implementation of the Code on Wages, 2019, the Company has reassessed the definition of wages for employee benefit obligations. In accordance with Ind AS 19, the resulting impact has been treated as a plan amendment and recognised as past service cost.

Accordingly, an incremental gratuity liability of Rs. 0.23 crore has been recognised in the Statement of Profit and Loss for the year ended 31 March 2026 and disclosed as an Exceptional Item (refer Note 38(c)).

#### B. Plan assets

For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:

Particulars	Amounts		% Composition	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
State/ Govt. of India securities	6.47	7.44	12%	14%
Corporation Bonds/ Fixed deposits with Banks	2.95	4.54	6%	8%
Special Deposit Scheme with Bank	3.51	3.51	7%	6%
HDFC Group unit linked plan- Option B	23.52	27.19	45%	50%
Other Investments- UTI Master Shares	4.20	4.59	8%	8%
Life Insurance Corporation Fund	7.12	6.40	14%	12%
Others Refundable net	4.84	1.17	8%	2%
	<b>52.61</b>	<b>54.82</b>	<b>100%</b>	<b>100%</b>

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

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

### 43 Employee benefits (Contd.)

#### C. Actuarial assumptions

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

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.78%	6.99%
Expected rate of future salary increase	5.50%	6.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
<b>Attrition rates at ages:-</b>		
- Up to 30 years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

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

The Company expects to pay Rs.7.84 crores (Previous year Rs.11.25 crores) in contribution to its defined benefit plans in the next year.

#### D. Sensitivity analysis

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(2.12)	2.30	(2.79)	3.04
Expected rate of future salary increase (50 basis points movement)	2.34	(2.18)	3.05	(2.83)
Attrition rate	0.99	(0.99)	0.11	(0.11)
Mortality	0.01	(0.01)	0.01	(0.01)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as regards rate of inflation, rate of increase in payment of pensions, rate of increase in payment of pensions before retirement and life expectancy are not applicable being a lump-sum benefit payable on retirement. Although, the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions disclosed above.

#### E. Maturity profile of defined benefit obligation

Year	As at March 31, 2026	As at March 31, 2025
0 to 1 year	5.89	6.75
1 to 2 year	1.90	1.67
2 to 3 year	1.67	2.02
3 to 4 year	2.77	2.69
4 to 5 year	2.96	2.88
5 to 6 year	3.03	2.97
6 year onwards	33.78	40.34
Total	52.00	59.32

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

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

## 43 Employee benefits (Contd.)

### F. "Description of risk exposures:

Defined benefit plans expose the Company to the following actuarial risks :

Changes in bond yields:	Decrease in bond yields will increase plan liabilities, although this will partially be offset by the increase in value of the plan assets.
Life expectancy:	Defined benefit obligations are to provide benefits for the life of the members of the plan, so increase in life expectancy will result in increase in plan's liabilities. This is particularly significant where inflationary increase results in higher sensitivity to the changes in life expectancy.
Asset Volatility	Asset volatility is the risk when assets underperform in comparison to the bond yield, then this creates asset deficit.

## 44 Related parties\*

### A. Related parties and their relationships

#### i Subsidiaries of the Company

Sutlej Holdings, Inc (wholly owned subsidiary )

American Silk Mills, LLC (step-down subsidiary )

#### ii Entity in which KMP has significant influence where transactions have taken place during current and previous year

SIL Investments Limited

#### iii Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. C. S. Nopany	Executive Chairman
Mr. U. K. Khaitan	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Mr. Amit Dalal	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Mr. Rajan Dalal	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Mr. Rajiv K.Podar	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Smt. Sonu Bhasin	Non-executive Director
Mr. Ashok Mittal	Non-executive Director
Mr. Rohit Dhoot	Non-executive Director
Mr. Arhant Vikram Nopany	Non-executive Director (W.e.f. 30 <sup>th</sup> July 2024)
Mr. Sameer Kaji	Non-executive Director (W.e.f. 9 <sup>th</sup> May 2024)
Ms. Deepa Kapoor	Non-executive Director (W.e.f. 9 <sup>th</sup> May 2024)
Mr. Sachin J Karwa	Chief Financial Officer (W.e.f. 9 <sup>th</sup> June 2025)
Mr. Rajib Mukhopadhyay	Chief Financial Officer (Whole Time Director till 24 <sup>th</sup> March 2025 and CFO till 8 <sup>th</sup> June 2025)
Mr. Ashish Kumar Srivastava	Whole Time Director and Chief Executive Officer (W.e.f. 24 <sup>th</sup> March 2025)
Mr. Suresh Kumar Khandelia	Advisor to Executive Chairman (till 31 <sup>st</sup> March 2025)

#### iv Post employment benefit entity:

Sutlej Textiles and Industries Employee Gratuity Fund

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

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

### 44 Related parties\* (Contd.)

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>a) Transaction with Sutlej Holdings Inc. ( wholly owned subsidiary company)</b>		
Investment in Equity shares	-	28.30
Interest on loan	0.56	0.44
Loan given	-	6.42
Impairment loss recognised on Investment	20.74	22.70
<b>b) Transactions with American Silk Mills, LLC</b>		
Sales of goods	-	2.60
Miscellaneous income	-	0.21
<b>c) Transactions with SIL Investments Limited</b>		
Unsecured loan taken	50.00	-
Interest paid	1.07	-
Rent received <sup>^</sup>	0.00	-
<sup>^</sup> Rent received Rs. 39000		
<b>d) Remuneration to Key Managerial Personnel</b>		
Mr. C S Nopany		
- Short-term employee benefits	1.95	3.00
Mr. Suresh Kumar Khandelia		
- Short-term employee benefits	-	6.00
Mr. Rajib Mukhopadhyay		
- Short-term employee benefits	0.32	1.40
- Post-employment benefits	0.03	0.10
Mr. Ashish Kumar Srivastava		
- Short-term employee benefits	3.47	0.10
- post-employment benefits	0.18	0.00
Mr. Sachin J. Karwa		
- Short-term employee benefits	0.84	-
- post-employment benefits	0.05	-
<b>e) Directors' sitting fees</b>		
Mr. C. S. Nopany	0.04	0.03
Mr. U. K. Khaitan	-	0.02
Mr. Amit Dalal	-	0.02
Mr. Rajan Dalal	-	0.02
Mr. Rajiv K.Podar	-	0.02
Smt. Sonu Bhasin	0.01	0.04
Mr. Rohit Dhoot	0.06	0.04
Mr. Arhant Vikram Nopany	0.06	0.04

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

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

### 44 Related parties\* (Contd.)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Mr. Sameer Kaji	0.06	0.04
Ms. Deepa Kapoor	0.07	0.04
Mr. Ashok Mittal	0.07	0.05
<b>f) Directors' commission</b>		
Smt. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Arhant Vikram Nopany	0.10	0.10
Mr. Sameer Kaji	0.10	0.10
Ms. Deepa Kapoor	0.10	0.10
Mr. Ashok Mittal	0.10	0.10
<b>g) Contribution to Post employment benefit entity</b>		
Sutlej Textiles and Industries limited Employee Gratuity Fund	2.02	2.44

### C. Balances outstanding

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Investments</b>		
Sutlej Holdings Inc. (Net of Impairment) (refer note -5)	-	20.74
<b>Trade Receivables</b>		
American Silk Mills, LLC	0.19	1.76
<b>Loan Receivables (including interest)</b>		
Sutlej Holdings Inc.	8.39	7.04
<b>Unsecured Loan Payable</b>		
SIL Investments Limited (refer note 20(c))	50.00	-
<b>Mr. C S Nopany :</b>		
Remuneration	0.10	0.25
<b>Short-term employee benefits payables</b>		
Mr. Suresh Kumar Khandelia	-	0.50
Mr. Rajib Mukhopadhyay	-	0.11
Mr. Ashish Kumar Srivastava	0.27	0.10
Mr. Sachin J. Karwa	0.09	-

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

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

### 44 Related parties\* (Contd.)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Post employment benefit payables</b>		
Mr. Ashish Kumar Srivastava	0.19	-
Mr. Rajib Mukhopadhyay	-	0.20
Mr. Sachin J. Karwa	0.05	-
<b>Directors' Commission Payables (Including TDS deducted):</b>		
Ms. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Arhant Vikram Nopany	0.10	0.10
Mr. Sameer Kaji	0.10	0.10
Ms. Deepa Kapoor	0.10	0.10
Mr. Ashok Mittal	0.10	0.10
<b>Directors' fees payables</b>		
Mr. C. S. Nopany ^	0.00	-
Mr. Ashok Mittal ^	0.00	-
Mr. Arhant Vikram Nopany ^	0.00	-
^ Directors' Fees payable Rs. 25000 to each		
<b>Payables</b>		
Sutlej Textiles and Industries Limited Employee Gratuity Fund	-	3.28
<b>Receivables</b>		
Rent receivable from SIL Investments Limited ^	0.00	-
^ Rent receivable Rs. 8250		
<b>Letter of Credit</b>		
Standby Letter of Credit to American Silk Mills, LLC from ICICI Bank Ltd. (USD 24,00,000)***	-	20.54

\* Transactions with related parties are conducted on an arm's length basis.

\*\*\* In the previous year, the loan for which letter of credit issued has been fully paid by step down subsidiary.

The Company had issued a letter of financial support to "American Silk Mills, LLC" for their continuing operations and enable them to meet their liabilities.

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

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

## 45 Financial instruments – Fair values and risk management

### I. Fair value measurements

#### A. Financial instruments by category

Particulars	As at 31 March 2026		As at 31 March 2025	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
Equity shares of JNSB*	0.00	-	0.00	-
Equity Shares of Sutlej Holdings Inc	-	-	20.74	-
Equity Shares of Continuum Green Energy Ltd.	-	0.83	-	-
Loan- Non current	-	-	-	7.04
Other non-current financial assets	-	13.41	-	13.42
Loan-Current		8.39		
Trade receivables	-	373.51	-	345.94
Cash and cash equivalents	-	2.33	-	3.85
Bank balances other than Cash and cash equivalents	-	8.58	-	7.51
Other current financial assets	-	51.81	0.90	46.26
	<b>0.00</b>	<b>458.86</b>	<b>21.64</b>	<b>424.02</b>
<b>Financial liabilities</b>				
Non -Current Borrowings	-	333.40	-	324.66
Lease liabilities	-	0.56	-	0.56
Other non-current financial liabilities	-	6.52	-	6.52
Short term borrowings	-	595.71	-	551.31
Trade payables	-	178.11	-	159.40
Other current financial liabilities	11.60	60.21	-	56.82
	<b>11.60</b>	<b>1,174.51</b>	<b>-</b>	<b>1,099.27</b>

\*The total amount of investments in absolute value is Rs. 5,000 ( 31 March 2025: Rs. 5,000), for reporting purpose rounded up to Rs. 0.0 Crores.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

There are no transfers made between level 1 and level 2 during the year.

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

#### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined as per values provided by banks
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

#### B. Fair value hierarchy

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

- (a) recognised and measured at fair value, and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2026</b>			w	
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative Assets	-	-	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
<b>As at 31 March 2025</b>				
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative Assets	-	0.90	-	0.90
<b>Total Financial Assets</b>	<b>-</b>	<b>0.90</b>	<b>0.00</b>	<b>0.90</b>

\*The total amount of investments in absolute value is Rs. 5,000, but for reporting purposes rounded up to Rs. 0.0 crores

Level 1: Hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There are no transfers made between level 1 and level 2 during the year.

#### Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted equity shares*	
	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.00	0.00
Gain/(losses) recognised in statement of profit or loss	-	-
<b>Balance at the end of the year</b>	<b>0.00</b>	<b>0.00</b>

\*The total amount of investments in absolute value is Rs. 5,000, but for reporting purposes rounded up to Rs. 0.0 crores

#### Valuation inputs and relationships to fair value

Type of financial instrument	Fair Value as at		Significant unobservable inputs	Probability-weighted range
	As at March 31, 2026	As at March 31, 2025		
Unquoted equity shares ( In equity shares of Co-operative Bank: The Jhalawar Nagrik Sahakari Bank Ltd., Bhawanimandi*)	-	-	-	-

\*The total amount of investments in absolute value is Rs. 5,000 (31 March 2025: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 crores. Sensitivity analysis of unlisted equity shares has been ignored being not material.

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Investments	0.83	0.83	-	-
Loan	8.39	8.39	7.04	7.04
Other non-current financial assets	13.41	13.41	13.42	13.42
Trade receivables	373.51	373.51	345.94	345.94
Cash and cash equivalents	2.33	2.33	3.85	3.85
Bank balances other than cash and cash equivalents	8.58	8.58	7.51	7.51
Other current financial assets	51.81	51.81	46.26	46.26
	<b>458.86</b>	<b>458.86</b>	<b>424.02</b>	<b>424.02</b>

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities</b>				
Borrowings	333.40	333.40	324.66	324.66
Lease liabilities	0.56	0.56	0.56	0.56
Other non-current financial liabilities	6.52	6.52	6.52	6.52
Short term borrowings	595.71	595.71	551.31	551.31
Trade payables	178.11	178.11	159.40	159.40
Other current financial liabilities	60.21	60.21	56.82	56.82
	<b>1,174.51</b>	<b>1,174.51</b>	<b>1,099.27</b>	<b>1,099.27</b>

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rs. 10.91 crores at 31 March 2026 (31 March 2025: Rs.11.36 crores). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which are rated A1, based on India ratings. Impairment on cash and cash equivalents and other bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. There is no impairment allowance at 31 March 2026 and 31 March 2025.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated A1, based on India ratings.

## II. Financial risk management

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

- Credit risk;
- Liquidity risk and
- Market risk

### i. Risk management framework

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

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

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

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

## 45 Financial instruments – Fair values and risk management (Contd.)

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low. The carrying amount of financial assets represent maximum credit risk exposure. The Company assess the credit quality of counter parties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

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

The Company's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if such information is available, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Any credit exceeding those limits require approval from the Chief financial officer of the Company.

To monitor customer credit risk, customers are reviewed in terms of their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties

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

During the previous year, the Company has made write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal options for recovery of dues wherever necessary based on its internal assessment

#### Reconciliation of loss allowance provision – Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	(9.94)	(6.90)
Add: Loss allowance	(0.25)	(3.73)
Bad debts	-	0.69
<b>Balance at the end of the year</b>	<b>(10.19)</b>	<b>(9.94)</b>

### iii. Liquidity risk

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

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

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

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

#### (a) Financing arrangements

The Company have access to the following undrawn borrowing facilities as at the reporting date:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Floating rate</b>		
Expiring within one year (credit limit and other facilities)	-	26.76
Expiring within one year (Term loans)	200.00	60.00
	<b>200.00</b>	<b>86.76</b>

The credit limit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees and have an average maturity of 2 Years 6 Months as at 31 March 2026 (31 March 2025- 2 Years 7 Months).

#### (b) Maturities of financial liabilities

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

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 months	1–5 years	More than 5 years
<b>As at 31 March 2026</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	333.40	333.40	-	333.40	-
Lease liabilities	0.56	0.56	-	0.06	0.50
Other non-current financial liabilities	6.52	6.52	-	0.03	6.49
Short term borrowings	595.71	595.71	595.71	-	-
Trade payables	178.11	178.11	178.11	-	-
Other current financial liabilities	71.81	71.81	71.81	-	-
<b>Total financial liabilities</b>	<b>1186.11</b>	<b>1186.11</b>	<b>845.63</b>	<b>333.49</b>	<b>6.99</b>

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 months	1–5 years	More than 5 years
<b>As at 31 March 2025</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	324.66	324.66	-	311.36	13.30
Lease liabilities	0.56	0.56	-	0.06	0.50
Other non-current financial liabilities	6.52	6.52	-	0.03	6.49
Short term borrowings	551.31	551.31	551.31	-	-
Trade payables	159.40	159.40	159.40	-	-
Other current financial liabilities	56.82	56.82	56.82	-	-
<b>Total financial liabilities</b>	<b>1099.27</b>	<b>1099.27</b>	<b>767.53</b>	<b>311.45</b>	<b>20.29</b>

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

#### iv. Market risk

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

The Company uses derivatives such as forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out as per guidelines of the Management.

##### a. Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Rupees). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rupees cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Company also consults external experts for their views on the currency rates in volatile foreign exchange markets.

Currency risks related to payables and receivables denominated in foreign currencies have been partially hedged using forward contracts taken by the Company.

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

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

#### (i) Exposure to currency risk

The quantitative data about the Company's exposure to currency risk as reported by the management of the Company is as follows

Particulars	USD	EUR	GBP	Total (in INR)
<b>31 March 2026</b>				
<b>Financial assets/ liabilities</b>				
Trade receivables	2.75	0.01	0.00	262.37
Foreign currency working capital borrowings	(0.82)	-	-	(77.53)
Trade payables	(0.08)	(0.00)	-	(7.43)
<b>Net statement of financial position exposure</b>	<b>1.85</b>	<b>0.01</b>	<b>0.00</b>	<b>177.41</b>
<b>31 March 2025</b>				
<b>Financial assets/liabilities</b>				
Trade receivables	2.90	-	-	248.18
Foreign currency working capital borrowings	(2.05)	-	-	(175.44)
Trade Payables	(0.11)	(0.00)	(0.00)	(9.45)
<b>Net statement of financial position exposure</b>	<b>0.75</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>63.30</b>

#### (ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	Total (in INR)
<b>Net statement of financial position exposure</b>				
<b>31 March 2026</b>				
<b>Financial assets/ liabilities</b>				
Trade receivables	-	-	-	-
Foreign currency working capital borrowings	(0.82)	-	-	(77.53)
Trade payables	(0.08)	(0.00)	-	(7.43)
<b>Net statement of financial position exposure</b>	<b>(0.90)</b>	<b>(0.00)</b>	<b>-</b>	<b>(84.96)</b>
<b>31 March 2025</b>				
<b>Financial assets/ liabilities</b>				
Trade receivables				
Foreign currency working capital borrowings	-	-	-	-
Trade payables	(2.05)	-	-	(175.44)
Net statement of financial position exposure	(0.11)	(0.00)	(0.00)	(9.45)
	<b>(2.15)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(184.89)</b>

Note - The total amount in absolute value is less than 100,000, but for reporting purpose rounded up to Rs. 0.0 crores

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

#### (iii) Derivative instruments

Particulars	As at 31 March 2026			As at 31 March 2025		
	USD	EUR	Total (in INR)	USD	EUR	Total (in INR)
Forward Contract for export trade receivables outstanding	3.82	-	361.58	1.92	0.06	169.54

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
USD 1	88.82	84.80	94.65	85.58
EURO 1	103.24	91.51	109.01	92.40
GBP 1	119.27	108.77	125.63	110.82

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rupees (Rs.) against foreign currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss*		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2026</b>				
USD (10% movement)	0.19	(0.19)	0.12	(0.12)
EURO (10% movement)	0.00	(0.00)	-	-
GBP (10% movement)	0.00	(0.00)	-	-
<b>31 March 2025</b>				
USD (10% movement)	0.08	(0.08)	0.05	(0.05)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	(0.00)	0.00	-	-

Note: Amount 0.00 represents rounded off amount in Crores which are less than Rs. 1,00,000 in absolute value terms.

#### b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During financial year 2025-26 and financial year 2024-25, the Company's borrowings at variable rates were denominated in Rupees.

Currently, the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

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

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

### 45 Financial instruments – Fair values and risk management (Contd.)

#### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	As at 31 March 2026	As at 31 March 2025
<b>Fixed-rate instruments</b>		
Financial assets	-	-
Fixed deposits with banks	8.40	7.18
Financial liabilities	-	-
	<b>8.40</b>	<b>7.18</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	929.11	875.97
	<b>929.11</b>	<b>875.97</b>

#### Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or loss		Equity, net of tax	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
<b>31 March 2026</b>				
Variable-rate instruments	(4.65)	4.65	(3.03)	3.03
<b>Cash flow sensitivity</b>	<b>(4.65)</b>	<b>4.65</b>	<b>(3.03)</b>	<b>3.03</b>
<b>31 March 2025</b>				
Variable-rate instruments	(4.38)	4.38	(2.85)	2.85
<b>Cash flow sensitivity</b>	<b>(4.38)</b>	<b>4.38</b>	<b>(2.85)</b>	<b>2.85</b>

#### Fair value sensitivity analysis for fixed-rate instruments

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

#### c. Commodity price risks

The Company is exposed to the risk of price fluctuations of raw materials, dyes and chemicals, work-in-progress and finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials, dyes and chemicals, work-in-progress and finished goods considering anticipated movement in prices. To counter raw materials price fluctuation risk, the Company works with varieties of fibers (natural and manmade) with the objective to moderate raw material cost, enhance application flexibility and increase product functionality and also invests in product development and innovation.

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

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

## 45 Financial instruments – Fair values and risk management (Contd.)

### Inventory sensitivity analysis (raw material and dyes and chemicals)

A reasonably possible change of 10% in prices of inventory at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity, net of tax	
	10 % increase	10 % decrease	10 % increase	10 % decrease
<b>31 March 2026</b>	47.54	(47.54)	30.93	(30.93)
<b>31 March 2025</b>	47.45	(47.45)	30.87	(30.87)

## 46 Lease liabilities

The Company has leasehold land.

The following is the movement in lease liabilities during the year ended 31 March 2026

Lease Liabilities	As at March 31, 2026	As at March 31, 2025
Opening balance /Transition balance	0.56	0.57
Interest expenses	0.05	0.05
Payment	(0.05)	(0.06)
<b>Closing Balance</b>	<b>0.56</b>	<b>0.56</b>

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2026 on an undiscounted basis:

### Maturity analysis – contractual undiscounted cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	0.05	0.05
After one year but not longer than five years	0.26	0.26
More than five years	2.42	2.47
<b>Total</b>	<b>2.73</b>	<b>2.78</b>

### Lease liabilities included in the statement of financial position:

Particulars	As at March 31, 2026	As at March 31, 2025
Current	-	-
Non-current	0.56	0.56
<b>Total</b>	<b>0.56</b>	<b>0.56</b>

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

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

### 46 Lease liabilities (Contd.)

#### Amount recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on lease liabilities	0.05	0.05
Amortisation of Right-of-use assets (refer note 3C)	0.06	0.06
<b>Impact on the statement of profit and loss for the year</b>	<b>0.11</b>	<b>0.11</b>

#### Amount recognised in the statement of cash flows

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Repayment of lease liabilities including interest expenses	0.05	0.06
<b>Impact on the statement of cash flows for the year</b>	<b>0.05</b>	<b>0.06</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

47 In respect of Okara Mills, Pakistan, (which remained with the Company as a result of transfer of textiles division of Sutlej Industries Limited with the Company ) no returns have been received after 31 March 1965. Against net assets, amounting to Rs 2.32 crores of Okara Mills, Pakistan, the demerged /transferor Company received ad hoc compensation of Rs. 0.25 crores from Government of India in the year 1972-73. These assets now vest with the Custodian of Enemy Property, Pakistan for which claim has been filed with the Custodian of Enemy Property in India. The Company shall continue to pursue its claim for compensation/ restoration of assets. Hence, further compensation, if any received, will be recorded in the year of receipt. In the financial year 2003-04, net assets of Rs. 2.07 crores (net of compensation received) as at 31 March 1965 was provided for.

### 48 Disclosure u/s 186(4) of the Companies Act, 2013 :

#### a) Particulars of Investments made:-

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>1 Investment in Equity shares of Sutlej Holdings Inc. (wholly owned subsidiary)* (Refer Note 5 B)</b>		
Investment made during the year	-	28.30
Investment impaired during the year	20.74	22.70
Balance outstanding as at reporting date	-	20.74
<b>2 Investment in Equity shares of Continuum Green Energy Ltd (Refer Note 5 B)**</b>		
Investment made during the year	5.71	-
Fair value adjustment as per Ind As 109- Financial Instruments	(4.88)	-
Balance outstanding as at reporting date	0.83	-

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

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

### 48 Disclosure u/s 186(4) of the Companies Act, 2013 : (Contd.)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>3 Loan to Sutlej Holdings Inc. (wholly owned subsidiary) (Refer Note 6 &amp; 14)</b>		
Loan to Sutlej Holdings Inc. (wholly owned subsidiary)	7.37	6.42
Interest accrued thereon	1.02	0.44
Balance outstanding as at reporting date	8.39	7.04
<b>4 Bank Guarantee given to American Silk Mills</b>		
Bank Guarantee renewed during the year	-	20.54
Balance outstanding as at reporting date	-	20.54

\* The investment has been made in a wholly owned subsidiary with the objective of expanding the Company's home textile business in the United States of America.

\*\* The Company has invested in Continuum Green Energy Limited (the "CGEL") in accordance with the Share Purchase and Shareholders' Agreement, which provides the Company with the right to draw power from the wind-solar hybrid plant operated and maintained by CGEL.

### 49 Capital management

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility. The Board of directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Company's capital management, capital includes issued share capital and all other equity reserves. Debt includes short term and long term borrowings. During the financial year ended 31 March 2026, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

#### (i) Debt equity ratio:

Particulars	As at March 31, 2026	As at March 31, 2025
Net debt*	918.20	864.61
<b>Total debt (A)</b>	<b>918.20</b>	<b>864.61</b>
Equity share capital	16.38	16.38
Other equity	803.59	877.71
<b>Total equity (B)</b>	<b>819.97</b>	<b>894.09</b>
<b>Debt equity ratio (C=A/B)</b>	<b>1.12</b>	<b>0.97</b>

\*The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

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

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

### 49 Capital management (Contd.)

#### (ii) Return on equity

Particulars	As at March 31, 2026	As at March 31, 2025
Profit for the year	(79.85)	(84.20)
Equity share capital	16.38	16.38
Other equity	803.59	877.71
<b>Total equity</b>	<b>819.97</b>	<b>894.09</b>
<b>Return on equity ratio (%)</b>	<b>-9.74%</b>	<b>-9.42%</b>

(iii) The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 8.15 % (31 March 2025: 8.20 %).

### 50 Regulatory information:

- (i) The Company does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property.
- (ii) The Company does not have any transactions with companies that have been struck off.
- (iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (iv) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in cryptocurrency or virtual currency during the financial year.
- (vi) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company has not received any fund 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:
  - a) 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;
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

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

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

### 50 Regulatory information: (Contd.)

- (ix) The Company does not have any such transaction which is 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)
- (x) The Company (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two Core Investment Company ("CIC") as part of the Company i.e. Ganges Securities Limited and New India Retailing & Investment Ltd (unregistered CIC).
- (xi) The Company has complied with the number of layers prescribed under the Companies Act 2013
- (xii) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government Authority.

**51** The Company has used accounting software for maintaining its books of account, which has the feature of recording audit trail (edit log) facility, and the same has been operational throughout the year for all relevant transactions recorded in the respective software, except in respect of payroll processing for workers, the previously used software had limitations in validating audit trail configurations at both the application and database levels. To address this, the Company has implemented a new payroll software solution. The staff payroll module has been implemented and is operational during the current financial year, with the audit trail (edit log) feature enabled and functioning. The implementation of the workers' payroll module is in progress and is expected to be completed in the subsequent financial year.

### 52 Ratio Analysis and its elements

#### (i) Debt equity ratio:

Particulars	As at March 31, 2026	As at March 31, 2025
Net debt*	918.20	864.61
<b>Total debt (A)</b>	<b>918.20</b>	<b>864.61</b>
Equity share capital	16.38	16.38
Other equity	803.59	877.71
<b>Total equity (B)</b>	<b>819.97</b>	<b>894.09</b>
<b>Debt equity ratio (C=A/B)</b>	<b>1.12</b>	<b>0.97</b>
<b>Change during the year in %</b>	<b>16%</b>	

\*The Company includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

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

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

### 52 Ratio Analysis and its elements (Contd.)

#### (ii) Return on equity:

Particulars	As at March 31, 2026	As at March 31, 2025
Profit for the year	(79.85)	(84.20)
Equity share capital	16.38	16.38
Other equity	803.59	877.71
<b>Total equity</b>	<b>819.97</b>	<b>894.09</b>
<b>Return on equity ratio (%)</b>	<b>-9.74%</b>	<b>-9.42%</b>
<b>Change during the year in %</b>	<b>3%</b>	

#### (iii) Current ratio

Particulars	As at March 31, 2026	As at March 31, 2025
Current assets (A)	1,001.22	956.24
Current liabilities (B)	881.05	802.94
<b>Current ratio (C=A/B)</b>	<b>1.14</b>	<b>1.19</b>
<b>Change during the year in %</b>	<b>-5%</b>	

#### iv) Inventory turnover

Particulars	As at March 31, 2026	As at March 31, 2025
Inventories	505.58	504.87
Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods	1,416.57	1,522.80
<b>Inventory turnover (days)</b>	<b>130</b>	<b>121</b>
<b>Inventory turnover ratio</b>	<b>2.80</b>	<b>3.02</b>
<b>Change during the year in %</b>	<b>-7%</b>	

#### v) Trade receivable turnover ratio

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivable	373.51	345.94
Revenue from operations	2,565.68	2,642.36
Other operating revenue	45.39	52.09
<b>Trade receivable Turnover (days)</b>	<b>54</b>	<b>49</b>
<b>Trade receivable turnover ratio</b>	<b>6.75</b>	<b>7.49</b>
<b>Change during the year in %</b>	<b>-10%</b>	

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

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

### 52 Ratio Analysis and its elements (Contd.)

#### vi) Net profit ratio

Particulars	As at March 31, 2026	As at March 31, 2025
Profit for the year	(79.85)	(84.20)
Revenue from Operations	2,565.68	2,642.36
<b>Net profit ratio</b>	<b>-3.11%</b>	<b>-3.19%</b>
<b>Change during the year in %</b>	<b>-2%</b>	

#### (vii) Return (PBIDT) to Capital Employed

Particulars	As at March 31, 2026	As at March 31, 2025
Profit before finance cost, depreciation and tax expenses (PBIDT) (before exceptional item) (A)	85.14	68.18
Equity Share Capital	16.38	16.38
Reserves and Surplus	803.59	877.71
Long Term Borrowing	333.40	324.66
Short Term Borrowing	470.20	422.11
Current maturities of long-term debts	125.51	129.20
<b>Capital Employed (B)</b>	<b>1,749.08</b>	<b>1,770.06</b>
<b>Return (PBIDT) to Capital Employed % (C=A/B)</b>	<b>4.87%</b>	<b>3.85%</b>
<b>Change during the year in %</b>	<b>26%</b>	

Reason for variance - Variance in ratio is due to increase in operating profit during the year as compared to previous year.

#### viii) Debt Service Coverage Ratio

Particulars	As at March 31, 2026	As at March 31, 2025
Profit for the year (before exceptional item)	(57.34)	(61.50)
Finance costs	65.79	61.48
Depreciation and amortization expense	107.86	109.80
Deferred tax	(31.17)	(41.60)
<b>Earning for debt service (A)</b>	<b>85.14</b>	<b>68.18</b>
Interest + Instalments due in respective year (B)	<b>191.30</b>	<b>190.68</b>
<b>Debt Service Coverage ratio (C=A/B)</b>	<b>0.45</b>	<b>0.36</b>
<b>Change during the year in %</b>	<b>24%</b>	

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

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

### 52 Ratio Analysis and its elements (Contd.)

#### ix) Trade payables turnover ratio (in times)

Particulars	As at March 31, 2026	As at March 31, 2025
Cost of materials consumed	1,410.91	1,489.15
Purchase of stock-in-trade	19.36	49.32
Add: Closing stock	224.16	237.15
Less: Opening stock	(237.15)	(303.05)
Other expenses	645.14	635.98
Total (A)	2,062.42	2,108.55
Average trade payables (B)	168.76	149.38
<b>Trade payables turnover ratio (C=A/B)</b>	<b>12.22</b>	<b>14.12</b>
<b>Change during the year in %</b>	<b>-13%</b>	

#### (x) Net Capital Turnover Ratios

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue from operations	2,565.68	2,642.36
Total equity	819.97	894.09
<b>Net Capital Turnover Ratio</b>	<b>3.13</b>	<b>2.96</b>
<b>Change during the year in %</b>	<b>6%</b>	

#### (xi) Return on Investment

Particulars	As at March 31, 2026	As at March 31, 2025
Income generated from investments	0.50	0.26
Total Investments (refer note 5 and 13) (after impairment loss)	9.23	22.22
<b>Return on Investment</b>	<b>5.42%</b>	<b>1.17%</b>
<b>Change during the year in %</b>	<b>363%</b>	

Reason for variance - Higher return is mainly due to the Company has earned interest on fixed desposit and impairment of Investment in Equity share. (refer note -5).

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

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

## 52 Ratio Analysis and its elements (Contd.)

### Additional Regulatory Information

Ratio	Numerator	Denominator
Debt equity ratio	Debt consists of borrowings net of cash and cash equivalents and bank balances.	Total equity
Return on equity	Profit for the year	Total equity
Current ratio	Total current assets	Total current liabilities
Inventory turnover	Inventories	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods
Trade receivable turnover ratio	Revenue from operations less export incentive	Total Trade receivables
Net profit ratio	Profit for the year	Revenue from operations
Return (PBIDT) to Capital Employed	Profit before finance cost, depreciation and tax expenses	Capital employed = Net worth + Borrowings
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest payments + Principal repayments
Trade payables turnover ratio (in times)	Cost of materials consumed+Purchase of stock-in-trade+Closing stock+Other expenses-Opening stock	Average trade payables
Net Capital Turnover Ratios	Revenue from operations	Total equity
Return on Investment	Income generated from investments	Total Investments

### Signatures to Notes 1 to 52

The notes referred to above form an integral part of these standalone financial statements

#### For B S R & Co. LLP

Chartered Accountants

ICAI Firm Regn. No.101248W / W-100022

For and on behalf of the Board of Directors of

**Sutlej Textiles and Industries Limited**

#### Shashank Agarwal

Partner

Membership No : 095109

Place : Mumbai

Date: 05 May 2026

#### Rohit Dhoot

Director

DIN : 00016856

Place : Mumbai

Date: 05 May 2026

#### C. S. Nopany

Executive Chairman

DIN : 00014587

Place : Mumbai

Date: 05 May 2026

#### Ashish Kumar Srivastava

Whole time Director and CEO

DIN : 06527942

Place: Mumbai

Date: 05 May 2026

#### Sachin J Karwa

Chief Financial Officer

M.No. : 115188

Place: Mumbai

Date: 05 May 2026

#### Manoj Contractor

Company Secretary

M.No. : A11661

Place: Mumbai

Date: 05 May 2026

# Consolidated Financial Statements

# Independent Auditor's Report

To the Members of  
**Sutlej Textiles and Industries Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Sutlej Textiles and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on consolidated financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered

Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matter

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

### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 intends to liquidate the Company 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 are responsible for overseeing the financial reporting process of each company.

## Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 and Board of Directors.
- ❖ Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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 statements of such entities or business activities within the Group 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 included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company 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 control that we identify during our audit.

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

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 Matter

- a. We did not audit the financial statements of wholly owned subsidiary and its step-down subsidiary,

whose financial statements reflects total assets (before consolidation adjustments) of Rs. 106.31 crores as at 31 March 2026, total revenues (before consolidation adjustments) of Rs. 13.65 crores and net cash outflows (before consolidation adjustments) amounting to Rs. 3.49 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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 our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditor under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report

of the other auditor on consolidated financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matter" paragraph, 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 so far as it appears from our examination of those books and the report of the other auditor except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Holding Company as on 01 April 2026 and 02 April 2026 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on consolidated financial statements of the subsidiary, as noted in the "Other Matter" paragraph:
    - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 40A to the consolidated financial statements.
    - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.
    - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2026.
    - d.
      - (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 49(vi) 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 Holding 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      - (ii) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 49(vii) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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 Parties

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

- (iii) Based on the audit procedures 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 (i) and (ii) above, contain any material misstatement.
- e. The Holding Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, the Holding Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of an accounting software used by the Holding Company for maintaining the books of account relating to workers payroll. Due to system limitation to validate configuration of the feature of recording audit trail (edit log) facility at application and database level of the aforesaid software, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, except to the extent audit trail was not enabled for the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

Partner

Place: Mumbai

Membership No.: 095109

Date: 05 May 2026 ICAI UDIN:26095109FGUEDA5899

## Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2026

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

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its auditor in his report under the Companies (Auditor's Report) Order, 2020 (CARO)::

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Sutlej Textiles and Industries Limited	L17124RJ2005PLC020927	Holding Company	Clause vii (a) of annexure A to the Independent Auditor's report dated 05 May 2026

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

Partner

Membership No.: 095109

ICAI UDIN:26095109FGUEDA5899

Place: Mumbai  
Date: 05 May 2026

# Annexure B to the Independent Auditor's Report on the consolidated financial statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2026

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

In conjunction with our audit of the consolidated financial statements of Sutlej Textiles and Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 Holding 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 Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to financial statements.

## Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 Financial Statements

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

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Shashank Agarwal**

Partner

Membership No.: 095109

ICAI UDIN:26095109FGUEDA5899

Place: Mumbai

Date: 05 May 2026

# Consolidated Balance Sheet as at March 31, 2026

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

CIN No: L17124RJ2005PLC020927

Particulars	Note No.	As at 31 March, 2026	As at 31 March, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	956.46	998.77
Capital work-in-progress	3B	8.79	7.11
Right-of-use assets	3C	4.81	6.01
Intangible assets	4	0.96	1.42
<b>Financial assets</b>			
(i) Investments	5	0.83	-
(ii) Other financial assets	6	13.56	13.55
Deferred tax Assets (net)	22	35.57	7.48
Other tax assets (net)	7	2.86	3.17
Other non current assets	8	29.04	24.94
<b>Total non-current assets</b>		<b>1,052.88</b>	<b>1,062.45</b>
<b>Current assets</b>			
Inventories	9	505.59	524.54
<b>Financial assets</b>			
(i) Trade receivables	10	373.41	345.00
(ii) Cash and cash equivalents	11	6.91	11.92
(iii) Bank balances other than (ii) above	12	8.58	7.51
(iv) Other financial assets	13	51.81	52.52
Other tax assets (net)	14	3.06	-
Other current assets	15	47.98	39.36
Assets classified as held for sale	15A	0.13	7.94
<b>Total current assets</b>		<b>997.47</b>	<b>988.79</b>
<b>Total assets</b>		<b>2,050.35</b>	<b>2,051.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	16.38	16.38
Other equity	17	798.99	878.41
<b>Total equity</b>		<b>815.37</b>	<b>894.79</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	18	333.40	324.66
(ii) Lease liabilities	19	0.56	1.34
(iii) Other financial liabilities	20	6.52	6.52
Provisions	21	10.10	12.73
Other non current liabilities	23	0.85	1.85
<b>Total non-current liabilities</b>		<b>351.43</b>	<b>347.10</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	24	595.71	551.31
(ii) Lease liabilities	19	1.00	1.37
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and;	25	39.02	28.51
(b) Total outstanding dues of creditors other than micro and small enterprises		140.14	135.71
(iv) Other financial liabilities	26	72.27	56.85
Other current liabilities	27	20.35	19.98
Provisions	28	15.08	15.61
Current tax liabilities (net)	29	-	0.01
<b>Total current liabilities</b>		<b>883.55</b>	<b>809.35</b>
<b>Total liabilities</b>		<b>1,234.98</b>	<b>1,156.45</b>
<b>Total equity and liabilities</b>		<b>2,050.35</b>	<b>2,051.24</b>

Material accounting policies

2

The accompanying notes are an integral part of these consolidated financial statements.  
As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants  
ICAI Firm Regn. No.101248W / W-100022

**Shashank Agarwal**

Partner  
Membership No : 095109  
Place : Mumbai  
Date: 05 May 2026

For and on behalf of the Board of Directors of  
**Sutlej Textiles and Industries Limited**

**Rohit Dhoot**

Director  
DIN : 00016856  
Place : Mumbai  
Date: 05 May 2026

**Ashish Kumar Srivastava**

Whole time Director and CEO  
DIN : 06527942  
Place: Mumbai  
Date: 05 May 2026

**Sachin J Karwa**

Chief Financial Officer  
M.No. : 115188  
Place: Mumbai  
Date: 05 May 2026

**C. S. Nopany**

Executive Chairman  
DIN : 00014587  
Place : Mumbai  
Date: 05 May 2026

**Manoj Contractor**

Company Secretary  
M.No. : A11661  
Place: Mumbai  
Date: 05 May 2026

## Consolidated statement of profit and loss for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

Particulars	Note	For the year ended 31 March, 2026	For the year ended 31 March, 2025
<b>Revenue</b>			
Revenue from operations	30	2,575.49	2,676.76
Other income	31	18.44	21.77
<b>Total income</b>		<b>2,593.93</b>	<b>2,698.53</b>
<b>Expenses</b>			
Cost of materials consumed	32	1,411.25	1,491.14
Purchase of stock-in-trade		21.98	73.09
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(4.36)	(14.97)
Employee benefits expense	34	443.82	444.62
Finance costs	35	66.07	63.42
Depreciation and amortisation expense	36	109.51	111.21
Other expenses	37	649.98	640.02
<b>Total expenses</b>		<b>2,698.25</b>	<b>2,808.53</b>
<b>Loss before exceptional items and tax</b>		<b>(104.32)</b>	<b>(110.00)</b>
Exceptional items	38	13.16	-
<b>Loss before tax</b>		<b>(117.48)</b>	<b>(110.00)</b>
<b>Tax expense:</b>	22		
Current tax		-	-
Deferred tax		(31.17)	(41.60)
<b>Total tax expenses</b>		<b>(31.17)</b>	<b>(41.60)</b>
<b>Loss for the year</b>		<b>(86.31)</b>	<b>(68.40)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans	22	8.81	3.14
Income Tax relating to remeasurement of defined benefit plans		(3.08)	(1.10)
<b>Items that will be reclassified subsequently to profit and loss</b>			
Exchange differences on translation of operations into reporting currency		1.16	0.05
<b>Total other comprehensive income for the year net of tax</b>		<b>6.89</b>	<b>2.09</b>
<b>Total comprehensive loss for the year</b>		<b>(79.42)</b>	<b>(66.31)</b>
<b>Earnings per equity share of face value of Rs 1 each</b>	39		
Basic and diluted (in Rs.)		<b>(5.27)</b>	<b>(4.18)</b>
Material accounting policies	2		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date attached

### For B S R & Co. LLP

Chartered Accountants

ICAI Firm Regn. No.101248W / W-100022

### Shashank Agarwal

Partner

Membership No : 095109

Place : Mumbai

Date: 05 May 2026

For and on behalf of the Board of Directors of  
**Sutlej Textiles and Industries Limited**

### Rohit Dhoot

Director

DIN : 00016856

Place : Mumbai

Date: 05 May 2026

### C. S. Nopany

Executive Chairman

DIN : 00014587

Place : Mumbai

Date: 05 May 2026

### Ashish Kumar Srivastava

Whole time Director and CEO

DIN : 06527942

Place: Mumbai

Date: 05 May 2026

### Sachin J Karwa

Chief Financial Officer

M.No. : 115188

Place: Mumbai

Date: 05 May 2026

### Manoj Contractor

Company Secretary

M.No. : A11661

Place: Mumbai

Date: 05 May 2026

## Consolidated statement of Cash Flows for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March, 2026	For the year ended 31 March, 2025
<b>A. Cash flow from operating activities</b>		
Profit before tax	(117.48)	(110.00)
<b>Adjustments for</b>		
Depreciation and amortisation expense	109.51	111.21
Gain on sale/discard of property, plant and equipment (net)	(2.63)	(4.32)
Finance costs (net of interest subsidies)	66.07	63.42
Interest income	(6.84)	(7.99)
Deferred government grants	(0.99)	(1.03)
Bad Debts /Loss allowance for doubtful debts	1.76	3.79
Provision for claims/contingencies	4.27	-
Unrealised (gain)/ loss on foreign currency fluctuations (net)	(3.43)	0.67
Fair value (gains)/ loss on derivatives	12.50	(0.81)
Provision no longer required and unclaimed balances written back	(1.06)	(1.58)
Loss on sale of captive co-generation power plant (refer note 38(a))	1.29	
<b>Operating profit before working capital adjustments</b>	<b>62.97</b>	<b>53.36</b>
<b>Working capital adjustments:</b>		
Decrease/(Increase) in inventories	18.95	(6.76)
(Increase) in trade receivables	(21.96)	(6.54)
(Increase)/decrease in other financial assets	(0.30)	13.51
(Increase) in other assets	(10.31)	(2.39)
Increase in trade payables	16.35	10.10
Increase/(Decrease) in other financial liabilities	3.33	(1.19)
Increase in provisions	2.54	5.42
Increase in other liabilities	3.48	0.64
<b>Cash generated from operations</b>	<b>75.05</b>	<b>66.15</b>
Income tax paid (net of refund)	(2.76)	(0.12)
<b>Net cash generated from operating activities</b>	<b>72.29</b>	<b>66.03</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from maturity of bank deposits	6.71	44.12
Investment in deposits with banks	(7.78)	(48.69)
Interest received	6.94	7.92
Purchase of Investments	(5.71)	-
Refund received from Small Industries Development Corporation (SIDCO)	-	31.21
Purchase of property, plant and equipment (including CWIP and intangible assets)	(64.65)	(65.40)
Proceeds from sale of property, plant and equipment	6.94	5.81
<b>Net cash used in investing activities</b>	<b>(57.55)</b>	<b>(25.03)</b>
<b>C. Cash flow from financing activities</b>		
Principal repayment of long term borrowings	(129.47)	(96.04)
Proceeds from long term borrowings	135.00	179.80
Net proceeds /(repayment) of short term borrowings	42.96	(49.64)
Finance costs paid (net of interest subsidies)	(66.93)	(64.84)
Repayment of lease liabilities (Including interest)	(1.31)	(1.24)
<b>Net cash used in financing activities</b>	<b>(19.75)</b>	<b>(31.96)</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(5.01)</b>	<b>9.04</b>
Cash and cash equivalents at the beginning of the year *	11.92	2.88
Cash and cash equivalents at the end of the year *	6.91	11.92
	<b>(5.01)</b>	<b>9.04</b>

## Consolidated statement of Cash Flows for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

### Notes:

- The Statement of Cash Flows has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
- Changes in liabilities arising from financing activities

Particulars	As at 31 March, 2026	As at 31 March, 2025
<b>Opening balance of borrowings and lease liabilities</b>		
Term loan (including current maturities)	453.86	371.37
Current borrowings	422.11	472.87
Interest Accrued	1.12	1.41
Lease liabilities	2.71	2.23
<b>Cash flows</b>		
Principal repayment of long term borrowings	(129.47)	(96.04)
Proceeds from long term borrowings	135.00	179.80
Change in current borrowings (net)	42.96	(49.64)
Finance costs paid (net of interest subsidies)	(66.93)	(64.84)
Repayment of lease liabilities (including Interest)	(1.31)	(1.24)
<b>Non-cash changes</b>		
Upfront fees amortised	0.48	1.27
Exchange fluctuation changes	5.13	(1.12)
Finance costs	65.43	60.43
Interest on lease liabilities	0.16	0.14
Lease liabilities recognised	-	1.58
<b>Closing balance of borrowings and lease liabilities</b>		
Term loan (including current maturities)	458.91	453.86
Current borrowings	470.20	422.11
Interest Accrued	0.58	1.12
Lease liabilities	1.56	2.71

\*Refer note 11 for details.

\*Cash and cash equivalents include bank overdraft that are repayable on demand and form an integral part of the Group cash management.

Material accounting policies (refer note 2)

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

### For B S R & Co. LLP

Chartered Accountants

ICAI Firm Regn. No.101248W / W-100022

For and on behalf of the Board of Directors of  
**Sutlej Textiles and Industries Limited**

### Shashank Agarwal

Partner

Membership No : 095109

Place : Mumbai

Date: 05 May 2026

### Rohit Dhoot

Director

DIN : 00016856

Place : Mumbai

Date: 05 May 2026

### C. S. Nopany

Executive Chairman

DIN : 00014587

Place : Mumbai

Date: 05 May 2026

### Ashish Kumar Srivastava

Whole time Director and CEO

DIN : 06527942

Place: Mumbai

Date: 05 May 2026

### Sachin J Karwa

Chief Financial Officer

M.No. : 115188

Place: Mumbai

Date: 05 May 2026

### Manoj Contractor

Company Secretary

M.No. : A11661

Place: Mumbai

Date: 05 May 2026

## Consolidated statement of changes in Equity for the year ended March 31, 2026

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

CIN No: L17124RJ2005PLC020927

### (a) Equity share capital

Particulars	As at 31 March, 2026		As at 31 March, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Change in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>16,38,28,620</b>	<b>16.38</b>	<b>16,38,28,620</b>	<b>16.38</b>

### (b) Other equity

	Reserves and surplus		Items of other comprehensive income		Total other equity
	General reserve	Retained earnings	Remeasurement of defined benefit plans (net of tax) {refer note 17 b(ii)}	Exchange differences on translation of operations into reporting currency {refer note 17 c}	
<b>Balance as at 01 April 2024</b>	<b>208.06</b>	<b>719.29</b>	<b>11.76</b>	<b>5.61</b>	<b>944.72</b>
Loss for the year	-	(68.40)	-	-	(68.40)
Other comprehensive income for the year	-	-	2.04	0.05	2.09
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(68.40)</b>	<b>2.04</b>	<b>0.05</b>	<b>(66.31)</b>
<b>Balance as at 31 March 2025</b>	<b>208.06</b>	<b>650.89</b>	<b>13.80</b>	<b>5.66</b>	<b>878.41</b>
Loss for the year	-	(86.31)	-	-	(86.31)
Other comprehensive income for the year	-	-	5.73	1.16	6.89
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(86.31)</b>	<b>5.73</b>	<b>1.16</b>	<b>(79.42)</b>
<b>Balance as at 31 March 2026</b>	<b>208.06</b>	<b>564.58</b>	<b>19.53</b>	<b>6.82</b>	<b>798.99</b>

Material accounting policies (refer note 2)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Regn. No.101248W /  
W-100022

For and on behalf of the Board of Directors of  
**Sutlej Textiles and Industries Limited**

**Shashank Agarwal**  
Partner  
Membership No : 095109  
Place : Mumbai  
Date: 05 May 2026

**Rohit Dhoot**  
Director  
DIN : 00016856  
Place : Mumbai  
Date: 05 May 2026

**C. S. Nopany**  
Executive Chairman  
DIN : 00014587  
Place : Mumbai  
Date: 05 May 2026

**Ashish Kumar Srivastava**  
Whole time Director and CEO  
DIN : 06527942  
Place: Mumbai  
Date: 05 May 2026

**Sachin J Karwa**  
Chief Financial Officer  
M.No. : 115188  
Place: Mumbai  
Date: 05 May 2026

**Manoj Contractor**  
Company Secretary  
M.No. : A11661  
Place: Mumbai  
Date: 05 May 2026

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 1. Company Information

Sutlej Textiles and Industries Limited (herein after referred to as "the Parent Company/Holding Company/Company") is domiciled in India with its registered office situated at Pachpahar Road, Bhawanimandi - 326502, Rajasthan. The Holding Company has been incorporated under the provisions of Indian Companies Act 2013 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Limited.

The Holding Company had incorporated a wholly owned subsidiary namely Sutlej Holdings Inc. in the state of Delaware on 28 September 2017. Sutlej USA, LLC, a wholly owned subsidiary of Sutlej Holdings Inc. was also incorporated on 28 September 2017 in the state of Delaware. Pursuant to a business combination, the name of Sutlej USA, LLC was changed to American Silk Mills, LLC. The American Silk Mills is primarily engaged in the design, manufacture and distribution of textiles to wholesalers, manufacturers and retailers for the home furnishing industry.

Sutlej Textiles and Industries Limited along with its subsidiary and step-down subsidiary is hereinafter referred to as the "Group".

The Group deals primarily in recycled polyester staple fibre, cotton and man-made fibre yarn and home textiles products.

The particulars of subsidiary company and step-down subsidiary of Holding Company, which are included in consolidation and the parent company's holding therein, is as under:

Name	Country of incorporation	Percentage holding as at 31 March 2026	Percentage holding as at 31 March 2025
Sutlej Holdings Inc. (Subsidiary Company)	USA	100 %	100 %
American Silk Mills (Step Down Subsidiary)	USA	100%	100%

### 2. Summary of material accounting policies

The Group has applied the following accounting policies to period presented in the consolidated financials.

#### 2.1 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Board of Directors on their meeting held on 05 May 2026.

#### 2.2 Basis of consolidation:

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiary (including its step down subsidiary). Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary are consolidated from the date control commences until the date control ceases. The financial statements of the Group is consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation. Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances.

# Notes to the Consolidated financial statements for the year ended March 31, 2026

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

## Consolidation procedure

- ❖ Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ❖ Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

## 2.3 Business combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

## 2.4 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following items: -

- ❖ Defined benefit liability / (assets): Fair value of plan assets less present value of defined benefit obligation
- ❖ Certain financial assets and liabilities (including financial instrument): - Fair value;
- ❖ Other financial assets and liabilities - measured at amortised cost.

Fair value is the price that would be received upon sale of an asset or paid upon transfer of 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 take 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 the consolidated financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in impairment of assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

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 Group 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 for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset and liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of fair value hierarchy, the fair value measurement is categorised in its entirety in the same level as the lowest level of input i.e. significance of the entire measurement.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 2.5 Use of judgements and estimates

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

#### Judgements

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

- ❖ whether the Group has de facto control over an investee (refer note 1).
- ❖ revenue recognition: whether revenue is recognised over time or at a point in time;
- ❖ lease term: whether the Group is reasonably certain to exercise extension options.

#### Assumptions and estimation uncertainties

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

- ❖ Measurement of defined benefit obligations: key actuarial assumptions; (note 43)
- ❖ Useful life and residual value of property, plant and equipment, and intangible assets
- ❖ Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (note 40)
- ❖ Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note 45)
- ❖ Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note 3 and 4)

### 2.6 Classification of assets and liabilities as current and non-current

The Group presents consolidated assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

An liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### Material accounting policies

## 2.7 Property, plant and equipment

### Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital work in progress) are measured at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use and cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Freehold land is carried at historical cost less any accumulated impairment losses, if any.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### Transition to Ind AS

The cost of property, plant and equipment at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably.

### Depreciation

Depreciation on property, plant and equipment is calculated on straight line method and is recognized in the Statement of Profit and Loss. The rates are arrived at based on the estimated useful lives given in schedule II of the Companies Act, 2013 or re-assessed by the Group on basis technical evaluation and consequent advice from management expert,, as given below: -

### Related to parent Company:

Assets	Useful life as per Technical Certificate	Useful life as per Schedule II Of Companies Act
Non factory buildings	58 years	60 years
Factory buildings	30 years	30 years
Plant and equipment	18 years and 4 months /20 years / 15 years/ 3 years and 6 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	5-10 years	10 years
Vehicles	8 years and 10 years	8 years and 10 years

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### Related to subsidiary and step down subsidiary of the parent Company:

Assets	Useful lives
Plant and equipment	3 to 6 years
Office equipment	3 to 6 years
Furniture and fixtures	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and changes, if any, are accounted for prospectively.

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions/ (disposal) of assets is calculated on pro-rata basis i.e. from (upto) the date on which asset is ready for use/ (disposed off). Leasehold land is being amortised over the period of lease tenure. Additions on rented premises (offices and guest houses) are being amortised over the period of rent agreement.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

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

### Capital work-in-progress

Capital work-in-progress includes assets in the course of construction for production and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss at reporting date. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized.

Directly attributable cost (including borrowing for acquisition of asset) incurred are treated as pre-operative expenses.

## 2.8 Intangible assets and Goodwill

Intangible assets including computer software acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. For Parent Company, estimated useful life of the software is considered as 3 to 6 years (Depend on software licence period) against useful life of 3 years as per Companies Act, 2013 and for subsidiary and step down subsidiary of the parent Company estimated useful life of the software (including internally developed software) is considered as 5 to 8 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively to the Group and the cost can be measured reliably. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in their specific asset to which it relates.

An intangible asset is recognised only if it is probable that future economic benefits are expected will flow. 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 the consolidated Statement of Profit and Loss when the asset is derecognised.

# Notes to the Consolidated financial statements for the year ended March 31, 2026

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

## Transition to Ind AS

The cost of Intangible assets at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Goodwill that arises on the acquisition of a business is presented as an intangible asset.

The difference between fair value of consideration and net assets acquired is treated as goodwill on consolidation. The goodwill on consolidation is tested for impairment annually.

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

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets, investment property and property, plant and equipment are no longer amortised or depreciated.

## 2.10 Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (cash generating units).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

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

### 2.11 Borrowing cost

Borrowing cost are interest and other cost incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use or sale.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### 2.12 Foreign currency transactions

The Group's consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded off to the nearest crores, except share data and as stated otherwise.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency at the exchange rate at the date of the transaction or an average rate if average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss with the exception of following which are recognised in OCI :-

- a. Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in the Statement of Profit or Loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in Other Comprehensive Income (OCI). These exchange differences are reclassified from equity to the Statement of Profit or Loss on disposal of the net investment.
- b. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 2.13. Employee benefits

#### a. Short term employee benefits

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

#### b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which which Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. An entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Parent Company makes specified monthly contributions towards Government administered provident fund scheme and also towards superannuation scheme. Obligations for contributions to defined contribution plans are expensed as an employee benefit expense in Statement of Profit or Loss in the periods during which the related service is rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### c. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity/ benefit scheme is defined benefit plan. The Parent Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

Remeasurement of the net defined benefit liability comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income (OCI) is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss. When the benefits of the plan are changed or curtailed resulting change in benefit that relates to past service is 'Past service cost' or 'Past service Gain'. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest are recognised in OCI. The Parent Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Defined benefit costs are categorised as follows:

- ❖ service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ❖ net interest expense or income; and
- ❖ remeasurement of net defined benefit liability

The Parent Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

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

### d. Other long-term employee benefits (Compensated absences)

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in Statement of Profit and Loss in the period in which they arise. The obligations are presented as current liability in the balance sheet if the Group does not have an unconditional right to defer the settlement for at least 12 months after the reporting date.

### 2.14 Revenue from contract with customer's

Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- ❖ **Step 1:** Identify the contract with the customer
- ❖ **Step 2:** Identify the performance obligations in the contract
- ❖ **Step 3:** Determine the transaction price
- ❖ **Step 4:** Allocate the transaction price to the performance obligations
- ❖ **Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

#### Sale of goods

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Revenue is recognised when the controls of goods, are transferred to the buyer as per terms of contract i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Export incentives

Export entitlements in the form of duty drawback, remission of duties and taxes on export products and other schemes are recognized in the Statement of Profit and Loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Claim on insurance companies and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### Interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### Scrap sales

Income from sale of the scrap is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract.

### Insurance claim

Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable, and the ultimate collection is reasonably certain.

### Job Work

Revenue from job work charges is recognised on an accrual basis as and when the services are rendered as per the terms of the arrangement with respective customers.

## 2.15 Government grants and subsidies

Grants from the government are recognised as deferred income at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions attached thereto.

Government grants that compensate the Group for expenses incurred are recognised in the Statement of Profit and Loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

### EPR Credits

Extended Producer Responsibility credit income is recognised in the Statement of Profit & Loss when there is a reasonable assurance that the income will be received and the Holding Company will comply with all attached conditions.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 2.16 Inventories

Inventories are valued as follows:

Raw materials, Stock –in trade, dyes and chemicals, stores and spares and consumables	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and an appropriate share of fixed production overheads based on normal operating capacity. Cost is determined on weighted average basis. The Net realisable value of work in progress is determined with reference to selling price of finished goods.
Waste material	At net realisable value.

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

### 2.17 Trade receivables

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

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition.

### 2.18 Provisions and contingent liabilities

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the consolidated financial statements unless the possibility of an outflow of economic resources is remote.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 2.19 Measurement of fair value

#### a. Financial instruments

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

#### b. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on market comparison techniques utilizing significant unobservable data, primarily cash flow based models.

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of the non-marketable of the relevant equity securities.

If fair value cannot be measured reliably unlisted shares are recognized at cost.

#### c. Derivatives

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risk respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### 2.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### A) Financial Assets

##### Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- a) At amortised cost
- b) At fair value through profit and loss (FVTPL)
- c) At fair value through other comprehensive income (FVTOCI)

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss. This category generally applies to trade and other receivables.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated at FVTPL:

- ❖ it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ❖ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### Equity Instruments

All equity instruments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income.

The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments in Subsidiaries which meet the definition of an equity instrument or provide access to returns associated with an underlying ownership interest are carried at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Investments in Subsidiaries which do not meet the definition of an equity instrument or provide access to returns associated with an underlying ownership interest in subsidiaries are accounted as financial instruments and initially recognised at its fair value. The difference, if any, between the fair value and the consideration given is recognised as an additional investment (deemed contribution) by the Company.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

When the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

### Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and contract assets with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and contract assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information. The Company considers a financial asset to be in default when the asset is unlikely to be realised in full.

### Credit Impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data:

- significant financial difficulty of the debtor;
- breach of contract such as default, or;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### Write Off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## B) Financial liabilities and Equity instruments

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

Subsequent measurement

#### (i) Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

#### (ii) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## 2.21 Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable reflects the best estimates of the tax amount expected to be paid on received. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if, the Group:

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

### ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities for financial reporting purpose in the balance sheet and the corresponding tax bases used for taxation purpose. Deferred

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

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 assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary difference.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

Current and deferred tax are recognised in the Statement of Profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.22 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term and a lease liability at the lease commencement date. The cost of the right-of-use asset is initially measured at cost which comprise of the amount of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred 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. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Group measures the lease liability initially at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### 2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transaction with any of the company's other component, and for which discrete financial information is available. All operating segments, operating results are reviewed regularly by CODM to make decisions about resource to be allocated to the segments and assess their performance.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Group have been identified as being the Chief Operating Decision Maker (CODM) by the Management of the Group.

The Group's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

- a) Yarn: It comprises of recycle polyester staple fibre, cotton and manmade fibres yarn;
- b) Home textiles: It comprises of home furnishing and fabric processing

Refer note 41 for segment information presented.

### 2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

### 2.25 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.26 Dividend

The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.27 Recent Pronouncements

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Amendment issued but not effective:

The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, introduced changes to Ind AS 1 – Presentation of Financial Statements, effective from 01 April 2026. These amendments provide guidance when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment. This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, accounting Estimates and Errors.

The Group has considered these amendments and expects that there will be no impact on the financial statements.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 3. A. Property, plant and equipment

Particulars	Freehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment	Lease hold improvements	Total
<b>Gross Block</b>								
<b>Balance as at 01 April 2024</b>	<b>54.50</b>	<b>580.37</b>	<b>1,253.59</b>	<b>12.16</b>	<b>18.71</b>	<b>15.93</b>	<b>0.32</b>	<b>1,935.58</b>
Additions during the year	-	1.06	54.80	1.22	0.48	2.52	-	60.08
Disposals during the year	-	-	10.06	0.44	0.20	0.46	-	11.16
Exchange rate (Gain)/Loss	-	-	(0.00)	-	(0.14)	(0.03)	(0.01)	(0.18)
<b>Balance as at 31 March 2025</b>	<b>54.50</b>	<b>581.43</b>	<b>1,298.33</b>	<b>12.94</b>	<b>19.13</b>	<b>18.02</b>	<b>0.33</b>	<b>1,984.68</b>
Additions during the year	-	2.27	61.25	0.15	0.87	1.38	0.03	65.95
Disposals during the year	-	0.03	4.41	0.23	0.01	0.04	-	4.72
Exchange rate (Gain)/Loss	-	-	0.05	-	(0.03)	(0.03)	-	(0.01)
<b>Balance as at 31 March 2026</b>	<b>54.50</b>	<b>583.67</b>	<b>1,355.12</b>	<b>12.86</b>	<b>20.02</b>	<b>19.39</b>	<b>0.36</b>	<b>2,045.92</b>
<b>Accumulated Depreciation</b>								
<b>Balance as at 01 April 2024</b>	-	120.33	734.88	7.37	11.32	11.91	0.30	886.11
Depreciation during the year	-	16.80	88.39	1.09	1.24	1.80	-	109.32
Disposals during the year	-	0.08	8.62	0.39	0.06	0.41	-	9.56
Exchange rate (Gain)/Loss	-	-	(0.01)	-	(0.01)	(0.01)	(0.01)	(0.04)
<b>Balance as at 31 March 2025</b>	-	<b>137.05</b>	<b>814.66</b>	<b>8.07</b>	<b>12.51</b>	<b>13.31</b>	<b>0.31</b>	<b>985.91</b>
Depreciation during the year	-	16.73	86.54	1.01	1.21	1.94	-	107.43
Disposals during the year	-	0.01	3.69	0.20	-	-	-	3.90
Exchange rate (Gain)/Loss	-	-	0.05	-	(0.02)	0.00	(0.05)	(0.02)
<b>Balance as at 31 March 2026</b>	-	<b>153.77</b>	<b>897.46</b>	<b>8.88</b>	<b>13.74</b>	<b>15.25</b>	<b>0.36</b>	<b>1,089.46</b>
<b>Net Block</b>								
<b>Balance as at 31 March 2025</b>	<b>54.50</b>	<b>444.38</b>	<b>483.67</b>	<b>4.87</b>	<b>6.62</b>	<b>4.71</b>	<b>0.02</b>	<b>998.77</b>
<b>Balance as at 31 March 2026</b>	<b>54.50</b>	<b>429.90</b>	<b>457.66</b>	<b>3.98</b>	<b>6.28</b>	<b>4.14</b>	<b>(0.00)</b>	<b>956.46</b>

#### Notes:

- Building, includes share of the holding company in a premises at Haridwar (jointly owned with others) having carrying value as at 31 March 2026 Rs. 0.53 crores and 31 March 2025 Rs.0.53 crores respectively (Original Cost Rs.1.23 crores as at 31 March 2026 and Rs.1.23 crores as at 31 March 2025).
- Borrowing cost capitalised amounting to Rs. 0.09 crores (31 March 2025 Rs.0.09 crores) under the head Plant and Equipment (refer note 42).
- Property, plant and equipment given as security for borrowings refer note 18 (a)
- Refer note no. 15A for Asset reclassified as held for sale
- Refer note no. 40 (B) for Capital commitment
- Immovable Property not held in name of the Holding Company: In case of Kathua leasehold land having carrying value as at 31 March 2026 and 31 March 2025 Rs. 1.26 crores and Rs.1.19 crores respectively (Original cost Rs.1.53 crores as at 31 March 2026 and Rs 1.53 crores as at 31 March 2025) and in case of Baddi units freehold land having carrying value as at 31 March 2026 and 31 March 2025 Rs.0.08 crores (Original cost Rs.0.08 crores) are pending for registration in the name of the holding company. Details for the current and previous year are as follows:

## Notes to the consolidated financial statements for the year ended March 31, 2026

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

### 3. A. Property, plant and equipment (Contd.)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	Also indicate if in dispute
Leasehold land	70 Kanal 5 Marla land, Kathua	1.40	Chenab Textile Mills (A unit of the Group)	No.	2006-07	The Group has submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in the Holding Company's favour.	No.
Leasehold land	2 Kanal 4 Marla land, Kathua	0.13	Chenab Textile Mills (A unit of the Group)	No.	2007-08	The Group has submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in the Holding Company's favour.	No.
Free hold Land	Free hold Land, Baddi	0.05	Sh. Ashok Kumar	No.	1992-93	For registration in the name of the Holding Company, the Revenue Department has required a fresh agreement; however, the same could not be executed due to the demise of the landowner.	No.
Free hold Land	Free hold Land, Baddi	0.03	Sh. Ratna	No.	1992-93	For registration in the name of the Holding Company, the Revenue Department has required a fresh agreement; however, the same could not be executed due to the demise of the landowner.	No.
<b>Total</b>		<b>1.61</b>					

### 3. B. Capital work-in-progress\*

Capital work-in-progress - Rs. 8.79 crores (31 March 2025 Rs.7.11 crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	7.11	7.69
Addition during the year	67.63	57.61
Less : written off during the year	0.03	-
Less: Capitalised during the year	65.92	58.19
<b>Closing balance</b>	<b>8.79</b>	<b>7.11</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 3. B. Capital work-in-progress (Contd.)

#### a) CWIP ageing schedule #

CWIP	Amount in CWIP for a period of			As at 31 March 2026
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	8.70	-	-	8.70
Project temporarily suspended	-	-	0.09	0.09
<b>Total</b>	<b>8.70</b>	<b>-</b>	<b>-</b>	<b>8.79</b>

CWIP	Amount in CWIP for a period of			As at 31 March 2025
	Less than 1 year	1-2years	2-3years	
Projects in progress	7.02	-	-	7.02
Project temporarily suspended	-	-	0.09	0.09
<b>Total</b>	<b>7.02</b>	<b>-</b>	<b>-</b>	<b>7.11</b>

# As of 31 March 2026 and 31 March 2025, there are no delayed projects in progress.

### 3. C. Right-of-use assets\*

Particulars	Gross block		Accumulated Depreciation		Net Block					
	As at 31 March 2025	Additions during the year	Disposals during the year**	As at 31 March 2026	As at 31 March 2025	Disposals during the year**	As at 31 March 2026			
Right-of-use assets( leasehold land)	13.26	-	(0.93)	14.19	7.25	1.33	(0.80)	9.38	4.81	6.01
	<b>13.26</b>	<b>-</b>	<b>(0.93)</b>	<b>14.19</b>	<b>7.25</b>	<b>1.33</b>	<b>(0.80)</b>	<b>9.38</b>	<b>4.81</b>	<b>6.01</b>

Particulars	Gross block		Accumulated Depreciation		Net Block					
	As At 31 March 2024	Additions during the year	Disposals during the year	As At 31 March 2025	As At 31 March 2024	Disposals during the year	As At 31 March 2025			
Right-of-use assets( leasehold land)	11.54	1.53	(0.19)	13.26	6.09	0.98	(0.18)	7.25	6.01	5.45
	<b>11.54</b>	<b>1.53</b>	<b>(0.19)</b>	<b>13.26</b>	<b>6.09</b>	<b>0.98</b>	<b>(0.18)</b>	<b>7.25</b>	<b>6.01</b>	<b>5.45</b>

\*Refer note 19 for lease liabilities

\*\* Relates to foreign currency exchange fluctuation gain.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 4. Intangible assets

Particulars	Gross block		Accumulated Depreciation		Net Block				
	As At 31 March 2025	Additions during the year	Disposals during the year	As At 31 March 2025	Depreciation during the year	Disposals during the year	As At 31 March 2026	As At 31 March 2025	As At 31 March 2026
Goodwill	7.56	-	-	7.56	-	-	7.56	-	-
	<b>7.56</b>	-	-	<b>7.56</b>	-	-	<b>7.56</b>	-	-
<b>Other Intangible assets</b>									
Software	6.48	0.26	-	5.06	0.75	0.03	5.78	0.96	1.42
	<b>6.48</b>	<b>0.26</b>	-	<b>5.06</b>	<b>0.75</b>	<b>0.03</b>	<b>5.78</b>	<b>0.96</b>	<b>1.42</b>

Particulars	Gross block		Accumulated Depreciation		Net Block			
	As At 31 March 2024	Additions during the year	Disposals during the year	As At 31 March 2024	Depreciation during the year	Disposals during the year	As At 31 March 2025	As At 31 March 2024
Goodwill	7.56	-	-	7.56	-	-	7.56	-
	<b>7.56</b>	-	-	<b>7.56</b>	-	-	<b>7.56</b>	-
<b>Other Intangible assets</b>								
Software	6.72	0.23	0.47	4.41	0.91	0.26	5.06	2.31
	<b>6.72</b>	<b>0.23</b>	<b>0.47</b>	<b>4.41</b>	<b>0.91</b>	<b>0.26</b>	<b>5.06</b>	<b>2.31</b>

\*\*\* Relates to foreign currency exchange fluctuation Gain.

### 5. Non current investments

Particulars	As at March 31, 2026
<b>A Investment in equity instruments (fully paid-up) valued at FVTPL</b>	
<b>Unquoted</b>	
50 (31 March 2025: 50) equity shares of The Jhalawar Nagrik Sahkari Bank Ltd (JNSB) of Rs. 100 each*	0.00
	<b>0.00</b>
*The total amount of investments in absolute value is Rs. 5,000 (31 March 2025: 5000), for reporting purpose rounded up to Rs. 0.0 Crores.	
<b>B Investment in equity instruments (fully paid up) at amortised cost</b>	
Unquoted	
5,712,121 (31 March 2025 Nil) equity shares of Continuum Green Energy Ltd. of Rs. 10 each (Refer note a below)	0.83
<b>Total investments measured at FVTPL</b>	<b>0.83</b>
<b>Total investment cost</b>	<b>0.83</b>
<b>Value of unquoted investment (A+B)</b>	<b>0.83</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 5. Non current investments (Contd.)

#### Note

- a The Group has invested in Continuum Green Energy Limited (the "CGEL") in accordance with the share purchase and shareholders' Agreement, which provides the Group with the right to draw power from the wind-solar hybrid plant operated and maintained by the CGEL.

The investment has been accounted for in accordance with Ind AS 109 – Financial Instruments and is measured at fair value on initial recognition with interest being accreted at each reporting date. Subsequent measurement is carried out in line with the applicable classification under Ind AS 109.

### 6 Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated )		
Security Deposits	13.56	13.55
	<b>13.56</b>	<b>13.55</b>

### 7 Other tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax receivable	2.86	3.17
	<b>2.86</b>	<b>3.17</b>

### 8. Other non current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated)		
Capital advances	7.73	10.20
Balances with government authorities	16.13	13.86
Prepaid expenses	5.18	0.88
	<b>29.04</b>	<b>24.94</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 9. Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
(Valued at lower of cost or net realisable value)		
Raw materials*	199.82	217.58
Dyes and chemicals**	5.32	5.49
Work-in-progress	113.86	110.69
Finished goods***	156.43	144.66
Stock-in-trade	-	15.74
Stores, spare-parts and consumables	19.03	18.02
Waste material	11.12	12.36
	<b>505.59</b>	<b>524.54</b>
<b>Goods in transit included in above inventories are as under :</b>		
* Raw materials	9.09	5.27
** Stores, spare-parts and consumables	0.61	0.16
*** Finished goods	-	0.41

Inventories are hypothecated to secure borrowings (Refer note 18(a) and 24)

Inventories of finished goods have been written down to net realisable value by Rs. 18.51 crores (31 March 2025 Rs 12.73 crores).

The Holding Company has devalued the aged inventory by Rs. 8.10 crores (31 March 2025 Rs 5.55 crores).

### 10 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Receivables considered good, Unsecured - Others	373.41	345.00
Trade Receivables credit impaired	10.20	10.04
	<b>383.61</b>	<b>355.04</b>
Less: Loss allowance for credit impairment	(10.20)	(10.04)
	<b>373.41</b>	<b>345.00</b>

- Trade receivables are hypothecated to secure current borrowings (Refer note 18(a) and 24)
- No trade or other receivables are due from directors or other officers of the Group, either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies in which any director is a partner, or director or member.
- The Group's exposure to credit and currency risk, and loss allowances related to trade receivables is disclosed in Note 45.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 10. Trade receivables (Contd.)

#### (d) Trade Receivables ageing schedule.

Particulars	Not due	As at 31 March 2026					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	333.01	36.98	3.42	-	-	-	373.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.01	0.13	4.42	3.63	1.68	9.87
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	0.16	-	-	0.17	0.33
(vii) Loss allowance for credit impairment	-	(0.01)	(0.29)	(4.42)	(3.63)	(1.85)	(10.20)
<b>Total</b>	<b>333.01</b>	<b>36.98</b>	<b>3.42</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>373.41</b>

#### (e) Trade Receivables ageing schedule.

Particulars	Not due	As at 31 March 2025					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	268.44	70.93	5.46	0.04	0.13	-	345.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	0.00
(iii) Undisputed Trade Receivables – credit impaired	-	-	6.34	1.67	0.92	0.94	9.87
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	0.17	0.17
(vii) Loss allowance for credit impairment	-	-	(6.34)	(1.67)	(0.92)	(1.11)	(10.04)
<b>Total</b>	<b>268.44</b>	<b>70.93</b>	<b>5.46</b>	<b>0.04</b>	<b>0.13</b>	<b>-</b>	<b>345.00</b>

### 11 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balance with banks:		
- In current accounts	6.65	11.71
Cash on hand	0.26	0.21
	<b>6.91</b>	<b>11.92</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 12 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks:		
Unpaid dividend account	0.18	0.33
Deposits with original maturity for more than 3 months but less than 12 months	1.89	1.48
Deposits with original maturity for less than 12 months under lien against term loan (Refer note no 18 (d))	6.51	5.70
	<b>8.58</b>	<b>7.51</b>

### 13 Other Current financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated)		
Export benefit receivable - considered good	33.87	27.48
EPR receivable - considered good	0.76	4.60
Government subsidies - considered good	7.91	8.19
Government subsidies - credit impaired	1.44	1.46
Less: Loss allowance for credit impairment	(1.44)	(1.46)
	<b>7.91</b>	<b>8.19</b>
Advances recoverable in cash	9.20	5.81
Receivable from finance Company#	-	5.37
Forward contract receivables	-	0.90
Interest accrued on deposits	0.07	0.17
	<b>51.81</b>	<b>52.52</b>

# In April 2019, the Group entered into a credit agreement (the "Facility") with a finance company. The Facility provides a revolving credit line of up to Rs.23.11 Crores, subject to borrowing base availability, and extends its maturity of the facility to October 31, 2026. The line of credit is pledged against Group's accounts receivable and inventory. The facility bears interest upon daily net balance of any monies remitted, paid or otherwise advanced to the company which is as follows:

- Not in excess of the receivables availability shall be charged at a rate per annum equal to receivable interest rate at 8.5%.
- In excess of receivables availability but not in excess of the receivables availability plus the inventory availability shall be charged at a rate per annum equal to the inventory interest rate at 8.5%.

During the year ended 31 March 2026, factoring commission expenses of Rs.0.19 Crores (31 March 2025: 0.39 Crores) and factoring interest expenses of Rs.0.08 Crores (31 March 2025: Rs.0.04 Crores) have been charged to the Consolidated Statement of Profit and Loss.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 14 Current tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax refund receivable	3.06	-
	<b>3.06</b>	<b>-</b>

### 15 Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities (refer note 40A (5))	27.52	22.30
Duty paid under protest	0.48	0.54
	<b>28.00</b>	<b>22.84</b>
Prepaid expenses	3.76	4.10
Advances to suppliers	15.61	12.42
Prepaid Gratuity (Refer note 43)	0.61	-
	<b>47.98</b>	<b>39.36</b>

### 15.A Assets classified as held for sale

Particulars	As at March 31, 2026	As at March 31, 2025
Assets classified as held for sale (refer note below)	0.13	7.94
	<b>0.13</b>	<b>7.94</b>

(a) Refer note 38(a).

(b) The Group decided to sell other obsolete plant and equipment of Rs.0.13 crores (31 March 2025 0.44 crores), which were originally purchased for production and manufacturing. The Group is actively searching for buyers to sell these assets. No liability is attached to these assets.

#### Non – current fair value measurements :

Assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets was determined using expected market realisable value using past trend and management assessment. Fair value measurement of assets held for sale is a level 3 measurement and key inputs under this approach are price per asset comparable for the machine in similar business and technology.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 16. Equity Share capital\*

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Authorised:</b>		
500,000,000 equity shares of Rs.1/- each (31 March 2025: 500,000,000 of Rs.1/- each)	50.00	50.00
<b>Issued, subscribed and fully paid up:</b>		
163,828,620 equity Shares of Rs.1/- each (31 March 2025: 163,828,620 of Rs.1/- each)	16.38	16.38
<b>* All shares fully paid up</b>	<b>16.38</b>	<b>16.38</b>

#### a. Terms and rights attached to equity shares

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

#### b. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at the commencement of period	16,38,28,620	16.38	16,38,28,620	16.38
<b>Balance at the end of year</b>	<b>16,38,28,620</b>	<b>16.38</b>	<b>16,38,28,620</b>	<b>16.38</b>

#### c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There are no holding or ultimate holding company of the Company.

#### d. There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

#### e. Shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Percentage	No. of shares	Percentage
Ganges Securities Limited	3,04,16,970	18.57%	3,04,16,970	18.57%
Hargaon Investment & Trading Company Limited	1,71,13,960	10.45%	1,71,13,960	10.45%
New India Retailing and Investment Limited	1,70,63,040	10.42%	1,70,63,040	10.42%
Yashovardhan Investment and Trading Company Limited	1,48,68,360	9.08%	1,48,68,360	9.08%
Birla Institute of Technology and Science	1,12,86,580	6.89%	1,12,86,580	6.89%
The Hindustan Times Limited	98,03,690	5.98%	98,03,690	5.98%
Ronson Traders Limited	97,23,730	5.94%	97,23,730	5.94%

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 16. Equity Share capital\* (Contd.)

f. Disclosure of Shareholding of Promoters is as below:

#### Shares held by promoters at the end of the year

S. No	Promoter name	As at 31 March 2026			As at 31 March 2025		
		No. of Shares	% of total shares	Change during the year	No. of Shares	% of total shares	Change during the year
1	Ganges Securities Limited	3,04,16,970	18.57%	-	3,04,16,970	18.57%	-
2	Hargaon Investment and Trading Co. Ltd.	1,71,13,960	10.45%	-	1,71,13,960	10.45%	-
3	New India Retailing & Investment Ltd.	1,70,63,040	10.42%	-	1,70,63,040	10.42%	-
4	Yashovardhan Inv.& Trading Co. Ltd.	1,48,68,360	9.08%	-	1,48,68,360	9.08%	-
5	Ronson Traders Ltd.	97,23,730	5.94%	-	97,23,730	5.94%	-
6	OSM Investment & Trading Co. Ltd.	63,88,200	3.90%	-	63,88,200	3.90%	-
7	Champaran Marketing Co. Ltd.	30,98,100	1.90%	-	30,98,100	1.90%	-
8	SCM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
9	RTM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
10	Sidh Enterprises Ltd.	11,94,240	0.73%	-	11,94,240	0.73%	-
11	SIL Investments Ltd.	7,50,000	0.46%	-	7,50,000	0.46%	-
12	Sonali Commercial Ltd.	2,84,350	0.17%	-	2,84,350	0.17%	-
13	Shri Chandra Shekhar Nopany	1,10,000	0.07%	-	1,10,000	0.07%	-
14	Uttam Commercial Ltd.	9,000	0.01%	-	9,000	0.01%	-
15	Shekhar Family Trust	1,00,050	0.07%	-	1,00,050	0.07%	-
16	Nandini Nopany	100	0.00%	-	100	0.00%	-
		<b>10,47,78,660</b>	<b>64.01%</b>	<b>0.00%</b>	<b>10,47,78,660</b>	<b>64.01%</b>	<b>0.00%</b>

### 17. Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
<b>a. General reserve</b>		
Balance at the beginning of year	208.06	208.06
Add: Transferred from retained earnings	-	-
<b>Balance at the end of year</b>	<b>208.06</b>	<b>208.06</b>
<b>b (i). Retained earnings</b>		
Balance at the beginning of year	650.89	719.29
Loss for the year	(86.31)	(68.40)

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 17. Other equity (Contd.)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Balance at the end of year</b>	<b>564.58</b>	<b>650.89</b>
<b>b (ii). Remeasurement of defined benefit plans (Other comprehensive income)</b>		
Balance at the beginning of year	13.80	11.76
Addition during the year	5.73	2.04
<b>Balance at the end of year</b>	<b>19.53</b>	<b>13.80</b>
<b>Subtotal (b) (i)+b(ii)</b>	<b>584.11</b>	<b>664.69</b>
<b>c. Exchange differences on translation of operations into reporting currency</b>		
Balance at the beginning of year	5.66	5.61
Addition during the year	1.16	0.05
<b>Balance at the end of year</b>	<b>6.82</b>	<b>5.66</b>
	<b>798.99</b>	<b>878.41</b>

### Nature and purpose of other reserves/ other equity

#### General reserve

The Group appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

#### Retained earnings:

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

#### Other comprehensive income :

(i) **Remeasurements of defined benefit plans** : represents the following as per Ind AS 19-Employee Benefits:

- (a) actuarial gains and losses;
- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)"

(ii) **Exchange differences on translation of foreign operations**

These comprise all exchange difference arising from translation of financial statement of foreign operations.

#### Dividend

No dividend was declared and paid during the current or previous year. After the reporting date no dividend is proposed by the Board of Directors of the Company.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 18. Non - Current Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Bank Loan	283.40	324.66
Unsecured loan from SIL Investments Ltd. - related party (refer note 44)	50.00	-
	<b>333.40</b>	<b>324.66</b>

#### a. Securities

Term loans are secured by first equitable mortgage ranking pari-passu over the Parent Company's immovable properties situated at Bhawanimandi (Rajasthan), Kathua (Jammu & Kashmir), Baddi (Himachal Pradesh) and Daheli-Gujarat (excluding the immovable property situated in Gujarat) and moveable assets (save and except book debts) both present and future, subject to prior charges created/to be created, in favour of bankers, on moveable assets including book debts to secure working capital borrowings.

#### b. Terms of repayment and interest schedule:

Secured loan from	Repayment frequency	Year of maturity	Rate of interest p.a. (%)	As at March 31, 2026	As at March 31, 2025
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	8.95	-	18.74
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2026-29	8.05 to 8.20	57.05	82.42
ICICI Bank, Kolkata	Quarterly	FY 2026-28	8.30 to 9.00	223.58	184.00
HDFC Bank, Jaipur	Quarterly	FY 2026-29	6.90 to 8.00	62.20	89.64
IndusInd Bank,	Quarterly	FY 2031	7.25 to 8.25	66.08	79.06
				<b>408.91</b>	<b>453.86</b>
Less : Current maturities of long term debt (Refer Note 24)				125.51	129.20
				<b>283.40</b>	<b>324.66</b>

#### Terms of Unsecured loan

The loan is repayable either on demand or at the end of contractual term of 60 months from the date of disbursement whichever is earlier. The tenure of the loan may be extended by a further period of up to 24 months subject to mutual written agreement between the parties, whichever is earlier. The loan is unsecured and carries interest at the rate of 8.5% per annum. Refer note 44 for related party transaction.

- c. The Group's exposure to interest rate, foreign currency and liquidity risk is included in note 45.
- d. Fixed deposit less than 1 year of Rs. 6.51 Crores at 31 March, 2026 is under lien with IndusInd bank against term loan [Rs. 5.70 Crores at 31 March 2025] (Refer note no 12).
- e. During the year ended 31 March 2026, the Company breached certain financial covenants under its loan arrangements with banks. These included covenants relating to Debt Service Coverage Ratio (DSCR), Current Ratio, EBITDA to Revenue from Operations ratio, and Interest Coverage Ratio with HDFC Bank, and Total Debt to EBITDA ratio and Debt Service Coverage Ratio (DSCR) with IndusInd Bank.

The Company obtained waivers from the respective banks for these covenant breaches. Such waivers are valid up to 31 March 2026. Accordingly, these borrowings have not been classified as payable on demand as at the reporting date.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 19 Lease liabilities

The following is the movement in lease liabilities during the year ended 31 March 2026:

Lease liabilities	As at March 31, 2026	As at March 31, 2025
<b>Opening balance</b>	<b>2.71</b>	<b>2.23</b>
Addition	-	1.58
Interest expenses	0.16	0.14
Payment	(1.31)	(1.24)
<b>Closing balance</b>	<b>1.56</b>	<b>2.71</b>

### Maturity analysis – contractual undiscounted cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	1.00	1.37
After one year but not longer than five years	0.26	1.17
More than five years	2.42	2.47
<b>Total</b>	<b>3.68</b>	<b>5.01</b>

### Lease liabilities included in the statement of financial position:

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current	0.56	1.34
Current	1.00	1.37
<b>Total</b>	<b>1.56</b>	<b>2.71</b>

### Amount recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on lease liabilities	0.16	0.14
Amortisation of Right-of-use assets (refer note 3C)	1.33	0.98
<b>Impact on the statement of profit and loss for the year</b>	<b>1.49</b>	<b>1.12</b>

### Amount recognised in the statement of cash flows

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Repayment of lease liabilities including interest expenses	1.31	1.24
<b>Impact on the statement of cash flows for the year</b>	<b>1.31</b>	<b>1.24</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 20 Other non current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Trade deposits	6.49	6.49
Employee security deposits	0.03	0.03
	<b>6.52</b>	<b>6.52</b>

### 21. Non Current Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Provision for employee benefits:</b>		
Provision for compensated absences	10.10	12.73
	<b>10.10</b>	<b>12.73</b>

### 22 Deferred tax Assets (net)

#### A. Movement in deferred tax balances

Particulars	As at March 31, 2025	Recognised during the year	Utilised during the year	As at March 31, 2026
<b>Deferred tax assets</b>				
Unabsorbed Depreciation and Business Losses	77.09	21.44	-	98.53
Disallowance u/s 43B of Income Tax Act, 1961 #	15.29	-	2.61	12.68
Provision for doubtful debts and others	5.43	4.35	-	9.78
<b>Total (A)</b>	<b>97.81</b>	<b>25.79</b>	<b>2.61</b>	<b>120.99</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	90.33	-	4.91	85.42
<b>Total (B)</b>	<b>90.33</b>	<b>-</b>	<b>4.91</b>	<b>85.42</b>
<b>Net deferred tax assets (A)-(B)</b>	<b>7.48</b>	<b>25.79</b>	<b>(2.30)</b>	<b>35.57</b>

Particulars	As at March 31, 2024	Recognised during the year	Utilised during the year	As at March 31, 2025
<b>Deferred tax assets</b>				
Unabsorbed Depreciation and Business Losses	65.92	30.59	19.42	77.09
Disallowance u/s 43B of Income Tax Act, 1961 #	14.98	0.31	-	15.29
Provision for doubtful debts and others	4.85	0.58	-	5.43
<b>Total (A)</b>	<b>85.75</b>	<b>31.48</b>	<b>19.42</b>	<b>97.81</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	118.77	-	28.44	90.33
<b>Total (B)</b>	<b>118.77</b>	<b>-</b>	<b>28.44</b>	<b>90.33</b>
<b>Net deferred tax liabilities/ (assets) (B)-(A)</b>	<b>33.02</b>	<b>(31.48)</b>	<b>9.02</b>	<b>(7.48)</b>

# Net of deferred tax recognised in other comprehensive income (refer note 22 C below).

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 22 Deferred tax Assets (net) (Contd.)

- As of date, the Holding Company has recognised deferred tax assets amounting to Rs. 98.53 crores (31 March 2025 Rs 77.09 crore), arising from unabsorbed depreciation and carried-forward tax losses. In accordance with the provisions of the Income Tax Act, 1961, tax losses can be carried forward as per below table. Based on the Holding Company's business plans and projected profitability, management is confident in the recoverability of these deferred tax assets within the prescribed timeframe.

Particulars	Expiry Year	FY 25-26	FY 24-25
Unabsorbed depreciation FY 23-24	No Expiry	107.70	107.70
Business Loss during the FY 23-24	31 March 2033	78.46	78.46
Unabsorbed depreciation FY 24-25	No Expiry	79.06	90.29
Unabsorbed depreciation FY 25-26	No Expiry	72.32	-

- Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. Based on the future projections, the Holding Company expects to shift under new tax regime from FY 2028-29. Consequently, credit of Rs. 7.00 Crores was recorded in the Statement of Profit and Loss during the previous year.

\*The Group overseas subsidiaries has been in net operating losses (NOL) and in the absence of convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity, deferred tax asset have not been recognised. The overseas subsidiaries has NOL's carry forward of USD 1.00 crores as at 31 March 2026, out of which the carry forward loss of USD 0.01 crores will expire in the year 2039. Remaining NOL can be carry forwards indefinitely.

### B. Amounts recognised in Statement of Profit and Loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(31.17)	(41.60)
	(31.17)	(41.60)
<b>Tax Expenses</b>	<b>(31.17)</b>	<b>(41.60)</b>

### C. Amounts recognised in other comprehensive income

Particulars	Before tax	Tax (expense)/ income	Net of tax
<b>For the year ended 31 March 2026</b>			
Remeasurements of defined benefit liability	8.81	(3.08)	5.73
Exchange differences on translation of operations into reporting currency	1.16	-	1.16
	<b>9.97</b>	<b>(3.08)</b>	<b>6.89</b>
<b>For the year ended 31 March 2025</b>			
Remeasurements of defined benefit liability	3.14	(1.10)	2.04
Exchange differences on translation of operations into reporting currency	0.05	-	0.05
	<b>3.19</b>	<b>(1.10)</b>	<b>2.09</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 22 Deferred tax Assets (net) (Contd.)

#### D. Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>(a) Profit before tax from Indian operations</b>	(111.02)	(125.80)
Tax using the Holding Company's domestic tax rate @ 34.94% (31 March 2025: 34.94%)	(38.79)	(43.96)
Tax effect of:		
Non-deductible expenses	7.59	7.23
Effect of credit recognised on re-measurement of deferred tax balances (refer note 22A (2))	-	(7.00)
Others	0.03	2.13
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>(31.17)</b>	<b>(41.60)</b>
<b>Effective tax rate</b>	<b>28.08%</b>	<b>33.07%</b>
<b>(b) Profit before tax from foreign operations</b>	(26.42)	(6.73)
Tax using the subsidiaries foreign tax rate @21 % (31 March 2025: 19.45%)	(5.14)	(1.31)
Tax effect of:		
Effect of current year losses for which no deferred tax asset is recognised	5.14	1.31
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total income tax expenses reported in the statement of profit and loss (a+b)</b>	<b>(31.17)</b>	<b>(41.60)</b>
<b>Elimination adjustments</b>	<b>19.95</b>	<b>22.53</b>
<b>Profit before tax</b>	<b>(117.49)</b>	<b>(110.00)</b>
<b>Overall Effective Tax Rate</b>	<b>26.53%</b>	<b>37.82%</b>

### 23. Other non current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Deferred government grant</b>		
Capital subsidies on specific plant and machinery	0.85	1.85
	<b>0.85</b>	<b>1.85</b>
<b>Movement of deferred government grants is as below:</b>		
Balance at the beginning of the year	1.85	2.88
Grant amortised and transferred to statement of profit and loss	(1.00)	(1.03)
<b>Balance at the end of the year</b>	<b>0.85</b>	<b>1.85</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 24. Current borrowings #

Particulars	As at March 31, 2026	As at March 31, 2025
Loan repayable on demand (Secured)*		
- From banks	466.56	411.21
Bills discounted**	-	7.03
Current maturities of long-term debt (refer note 18a)	125.51	129.20
Loan repayable on demand (unsecured)		
HDFC credit card	3.64	3.87
	<b>595.71</b>	<b>551.31</b>

\* Working capital facilities from banks are secured/to be secured by hypothecation of moveable including book debts, both present and future, of the unit, ranking pari-passu inter se.

During the previous year ended March 31, 2025, the Company has repaid a working capital facility from ICICI Bank amounting to Rs 20 cr.

\*\* Bills discounted are secured against the book debts and inventory.

# The Holding Company has filed monthly / quarterly statements with banks and these are in agreement with books of accounts except as mentioned below:

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	(Excess)/ Shortage	Whether return/statement subsequently rectified
March 2025	Punjab National Bank, Jammu & Kashmir Bank,	Inventory net of trade payable	411.46	411.99	(0.53)	Yes*
March 2025		Trade Receivables	295.02	295.19	(0.17)	Yes*
June 2025	HDFC Bank, DBS Bank, DCB Bank,	Inventory net of trade payable	372.29	372.68	(0.39)	Yes*
September 2025		Inventory net of trade payable	355.93	356.38	(0.45)	Yes*
December 2025	ICICI Bank, Federal Bank, Axis Bank and Kotak Bank	Inventory net of trade payable	367.08	368.07	(0.99)	Yes*
December 2025		Trade Receivables	274.34	274.42	(0.08)	Yes*

\* The Holding Company regularly submits provisional drawing power (DP) statements on a monthly basis to Punjab National Bank (PNB) being the lead bank by the 15<sup>th</sup> of the following month and also to other member banks. The DP limit is computed in accordance with the terms and conditions outlined in the sanction letter. Discrepancies between DP statements and financial statements arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory and debtors are done as per the bank sanction letter. During the current year, the Company has submitted revised DP statements tallying with the books of accounts for the aforesaid periods. In FY25-26, the actual utilization of working capital remained within the bank sanction/DP limits.

# Notes to the Consolidated financial statements for the year ended March 31, 2026

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

## 25. Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Total outstanding dues of micro enterprises and small enterprises and #	39.02	28.51
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	140.14	135.71
<b>Total</b>	<b>179.16</b>	<b>164.22</b>
<b>Note</b>		
The Group's exposure to credit and currency risk, and loss allowances related to trade payables. (Refer note 45)		
# Dues to micro enterprises and small enterprises (as per the intimation received from vendors):		
a. Principal amount remaining unpaid.	39.02	28.51
b. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c. Interest due to payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d. Interest accrued and remaining unpaid.	-	-
e. Interest remaining due to payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
	<b>39.02</b>	<b>28.51</b>

### A. Trade Payables ageing schedule

Particulars	As at 31 March 2026						Total
	Outstanding for following periods from due date of payment						
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years		
(i) MSME	27.25	11.20	0.49	0.08	0.00	39.02	
(ii) Others	95.57	37.49	5.13	0.94	1.01	140.14	
(iii) Disputed dues – MSME	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	
<b>Total</b>	<b>122.82</b>	<b>48.69</b>	<b>5.62</b>	<b>1.02</b>	<b>1.01</b>	<b>179.16</b>	

### B. Trade Payables ageing schedule

Particulars	As at 31 March 2025						Total
	Outstanding for following periods from due date of payment						
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years		
(i) MSME	9.15	19.25	0.11	-	-	28.51	
(ii) Others	54.36	74.76	2.54	0.92	3.13	135.71	
(iii) Disputed dues – MSME	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	
<b>Total</b>	<b>63.51</b>	<b>94.01</b>	<b>2.65</b>	<b>0.92</b>	<b>3.13</b>	<b>164.22</b>	

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 26. Other current financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid dividend	0.18	0.33
Interest accrued and due on borrowings	0.58	1.12
Employees related liabilities	53.75	50.37
Forward contract payables	11.60	-
Creditors for capital goods	2.18	1.15
Security deposits (Including retention money)	1.86	1.73
Director's commission	0.54	0.54
Others	1.58	1.61
	<b>72.27</b>	<b>56.85</b>

### 27. Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities	9.47	7.76
Advance against assets held for sale#	-	3.14
Statutory dues	10.86	9.08
	<b>20.33</b>	<b>19.98</b>

# Advance received against sale of Captive Co-Generation Power Plant ('CGPP') (Refer note 15A).

### 28. Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Provisions for employee benefit</b>		
Compensated absences	2.50	2.97
Net defined benefit liability- Gratuity (refer note 43)	-	4.50
<b>Other Provisions</b>		
contingencies	12.58	8.14
	<b>15.08</b>	<b>15.61</b>

#### Contingencies

Provision for disputed statutory matters have been made, where the Group anticipates probable outflow. The amount of provision is based on estimate made by the Group considering the facts and circumstances of each case. The timing and amount of cash flow will be determined by the relevant authorities on settlement of cases.

The movement of provisions is presented below:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	8.14	7.98
Provision made during the year	4.44	0.17
Payment made/ provision reversed during the year	-	(0.01)
<b>Balance at the end of the year</b>	<b>12.58</b>	<b>8.14</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 29. Tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Income tax (net)	-	0.01
	-	0.01

### 30. Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Sale of textile products (net of taxes)</b>		
Manufactured goods	2,464.03	2,503.09
Traded goods	31.11	87.43
<b>Total (i)</b>	<b>2,495.14</b>	<b>2,590.52</b>
<b>Sale of services</b>		
Job processing	32.65	32.13
Others	2.31	2.02
<b>Total (ii)</b>	<b>34.96</b>	<b>34.15</b>
<b>Total [(iii) = (i) + (ii)]</b>	<b>2,530.10</b>	<b>2,624.67</b>
<b>Other operating revenue</b>		
Export incentives	40.61	42.07
Income from Extended Producer Responsibility (EPR) Credits	4.78	10.02
<b>Total (iv)</b>	<b>45.39</b>	<b>52.09</b>
<b>Revenue from operations [(iii) + (iv)]</b>	<b>2,575.49</b>	<b>2,676.76</b>

#### Disaggregation of revenue from contract with customers

Type of service: The Group earns revenue primarily from selling of textile products and job work processing.

#### Recognition:

- Revenue from sale of goods is recognised when the performance obligation is satisfied. Revenue is recognised at point in time.
- Revenue from sale of services is recognised over point of time .
- Revenue from other operating revenue is recognised when the performance obligation is satisfied."

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

#### A Revenue Stream

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Sale of textile products (net of taxes)</b>		
Manufactured goods	2,464.03	2,503.09

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 30. Revenue from operations (Contd.)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Traded goods	31.11	87.43
<b>Sale of services</b>		
Job processing	32.65	32.13
Others	2.31	2.02
<b>Other operating revenue</b>		
Export incentives	40.61	42.07
Income from EPR credits	4.78	10.02
<b>Revenue from operation</b>	<b>2,575.49</b>	<b>2,676.76</b>

#### B Disaggregation of revenue from contracts with customers

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Geographical wise</b>		
India	1,625.90	1,666.76
Outside India	904.20	957.91
<b>Revenue from operation excluding other operating income</b>	<b>2,530.10</b>	<b>2,624.67</b>
<b>Timing of revenue recognition</b>		
Product transferred in point of time	2,495.14	2,590.52
Services transferred over time	34.96	34.15
<b>Revenue from operation excluding other operating income</b>	<b>2,530.10</b>	<b>2,624.67</b>

#### C Reconciliation of revenue recognised with contract price

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	2,541.90	2,635.93
Adjustment for:		
Discount	10.52	8.91
Rebate and liability claim	1.28	2.35
<b>Total Revenue from contract price (excluding operating income)</b>	<b>2,530.10</b>	<b>2,624.67</b>

#### D Performance obligation

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 30. Revenue from operations (Contd.)

described. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### E Contract balances

The following table provide information about receivable and contract liabilities from contract with customers.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Receivables, which are included in "trade receivable"	373.41	345.00
Contract liabilities	9.47	7.76

The contract liabilities primary relate to the advance consideration received from customers for sales of products, for which revenue is recognised on point of time. The amount of Rs. 7.76 crores included in contract liabilities as at 31 March 2025 has been recognised as revenue during the year ended 31 March 2026.

### 31. Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from financial assets measured at amortised cost:		
- deposits	0.50	0.26
- others	6.34	7.73
Gain on sale/discard of property, plant and equipment (net)	2.63	4.32
Foreign currency transactions and translation (net)	-	0.19
Provision no longer required and unclaimed balances written back	1.06	1.58
Insurance claims	0.23	0.26
Deferred government grants (refer note 23)	1.00	1.03
Miscellaneous income	6.68	6.40
	<b>18.44</b>	<b>21.77</b>

### 32. Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material consumed #	1,326.24	1,404.12
Consumption of dyes and chemicals	85.01	87.02
	<b>1,411.25</b>	<b>1,491.14</b>

# Write-down of raw material of Rs.4.48 crore recognised as an exceptional item (refer note 38 (c) .

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 33. 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
<b>Closing inventory at the end of the Year</b>		
Work-in-progress	113.86	110.69
Finished goods	156.43	144.66
Stock-in-trade	-	15.74
Wastage material	11.12	12.36
<b>Total (A)</b>	<b>281.41</b>	<b>283.45</b>
<b>Opening inventory at the beginning of the year</b>		
Work-in-progress	110.69	100.29
Finished goods	144.66	139.07
Stock-in-trade	15.74	16.00
Wastage material	12.36	12.69
<b>Total (B)</b>	<b>283.45</b>	<b>268.05</b>
Less : Foreign currency translation difference	0.51	0.43
Less : Write-down of finished goods recognised as an exceptional item (refer note 38 (c) .	(6.91)	-
<b>Total (C)</b>	<b>(6.40)</b>	<b>0.43</b>
<b>Total (B-A+C)</b>	<b>(4.36)</b>	<b>(14.97)</b>

### 34. Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	401.57	400.77
Contribution to provident and other funds	37.45	38.75
Staff welfare expenses	4.80	5.10
	<b>443.82</b>	<b>444.62</b>

### 35. Finance costs @

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses #	63.77	62.08
Exchange difference on the principal amount of foreign currency borrowing*	1.26	0.63
Other borrowing costs	1.04	0.71
	<b>66.07</b>	<b>63.42</b>

@ Net of amount capitalised refer note 42 and 3A

# Net of interest subsidies under various schemes amounting to Rs 0.57 crore (31 March 2025 Rs. 2.28 crores).

\* Exchange differences on the principal amount of the foreign currency borrowings to the extent that exchange differences are regarded as an adjustment to borrowing costs have been disclosed as "Finance costs".

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 36. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (refer note 3A)	107.43	109.32
Amortisation on intangible assets (refer note 4)	0.75	0.91
Depreciation on right-of-use assets (refer note 3C)	1.33	0.98
	<b>109.51</b>	<b>111.21</b>

### 37. Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Processing and job charges	4.99	2.28
Consumption of stores, spares and consumables	101.32	101.48
Power, fuel and water charges	306.25	303.78
Rent	1.53	1.71
Insurance	9.46	8.84
Rates and taxes	0.93	0.65
Repairs and maintenance:		
Buildings	8.08	6.21
Plant and machinery	38.13	40.35
Others	2.72	2.98
Freight and forwarding expenses	80.08	87.76
Selling commission and brokerage	31.53	32.60
Charity and donation ##	0.04	0.53
Foreign currency transactions and translation (net)	13.54	-
Bad debts	1.51	0.06
Loss allowance for doubtful debts / write off (refer note 45 II (ii) )	0.25	3.73
Provision for claims/contingencies	4.27	-
Directors' commission and fees	0.95	0.25
Travelling expenses	6.89	6.35
Vehicle expenses	7.50	7.83
Legal and professional expenses	5.66	5.82
Corporate social responsibility expenses (refer below note)	0.44	1.01
Miscellaneous expenses #	23.91	25.80
	<b>649.98</b>	<b>640.02</b>
<b>#includes auditor's remuneration (net of taxes)</b>		
As auditor:		
Statutory audit fee	0.66	0.66
In other Capacity	0.22	0.28
Reimbursement of expenses	0.06	0.10
	<b>0.94</b>	<b>1.04</b>

## Previous year includes Rs. 0.50 crores given to Samaj Electoral Trust Association.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 37. Other expenses (Contd.)

#### Note: Details of corporate social responsibility expenses

As per Section 135 of Companies Act, 2013, a holding company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Holding Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Gross amount required to be spent during the year	-	0.96
<b>Net CSR obligation for the year</b>	<b>-</b>	<b>0.96</b>
(ii) Amount spent during the year\$		
(a) Construction /acquisition of any asset	-	0.71
(b) On purpose other than (a) above	0.44	0.30
	<b>0.44</b>	<b>1.01</b>

\$ Above amount spent for health care & sanitation, promotion of sports activities, rural development & social welfare, animal welfare, promotion of education and others.

### 38. Exceptional items

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
- Impairment of plant and equipment of CGPP (Refer note (a) below)	1.29	-
- Employees costs (New labour code impact) (Refer note (b) below)	0.48	-
- Write-down of finished goods and raw materials (Refer note (c) below)	11.39	-
	<b>13.16</b>	<b>-</b>

(a) During the year ended 31 March 2023, the plant and equipment of the Captive Co-Generation Power Plant (CGPP) were decommissioned and classified as "Assets Held for Sale," and an impairment loss of Rs. 20.51 crores was recognised. The earlier sale agreement was subsequently cancelled due to the buyer's non-fulfilment of contractual obligations, and the excess advance received was forfeited.

During the current year, the remaining CGPP assets were sold for Rs. 3.57 crores (excluding GST), resulting in an additional loss of Rs. 1.29 crores recognised under 'Exceptional Item' in the Statement of Profit and Loss.

(b) Effective 21 November 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four labour Codes collectively referred to as the 'New Labour Codes'. Under Ind AS 19, changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the Statement of Profit and Loss.

The New Labour Codes have resulted in one time increase in provision for employee benefit of the Group. The estimated incremental impact of the same amounting to Rs. 0.48 crores (including gratuity impact of Rs. 0.23 crores) has been recognised and presented under 'Exceptional Item' in the Statement of Profit and Loss for the year ended 31 March 2026. The Group continues to monitor the finalisation of Central/ State Rules and any clarifications from the Government on other aspects of the New Labour Codes and would provide appropriate accounting effect in the relevant period on the basis of such developments as needed.

(c) During the year ended 31 March 2026, pursuant to a strategic decision to curtail operations of one of its subsidiary company due to adverse market conditions and sustained financial underperformance, the Group reassessed the net realisable value of its inventories. Accordingly, a write-down of finished goods and raw materials amounting to Rs.11.39 crore has been recognised. Considering the nature and materiality of the item, the same has been disclosed as an 'Exceptional item' in the Statement of Profit and Loss.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 39. Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loss for the year	(86.31)	(68.40)
Weighted average number of equity shares of Rs. 1/- each	16,38,28,620	16,38,28,620
Basic and Diluted (per share in Rs.)	(5.27)	(4.18)

### 40. Contingent liabilities and commitments

Particulars	As at March 31, 2026	As at March 31, 2025
<b>A. Contingent liabilities (to the extent not provided for) in respect of:</b>		
1. Claim against the Holding Company not acknowledged as debts: Labour matters (including matter in respect of which stay granted by respective Hon'ble High Court), except for which the liability is unascertainable	4.00	4.11
2. Other matters for which the Holding Company is contingently liable: Demand raised by GST department for various matters [refer note 40(A(5))]	9.28	9.34
* The Company's has issued a stand by letter of credit to its step down subsidiary for obtaining credit facilities for general corporate purposes		
3. "Liability of customs duty towards export obligation undertaken by the Holding Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to Rs. 9.84 Crores (31 March 2025: Rs.7.84 Crores).		
The Holding Company had imported Capital goods under EPCG and saved the customs duty. As per the EPCG terms and conditions, Holding Company needs to export Rs. 26.55 Crores (31 March 2025: Rs.31.01 Crores) i.e. 6 times (25% of 6 times in case of Jammu & Kashmir) of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Holding Company does not export goods in prescribed time, then the Holding Company may have to pay interest and penalty thereon.		
Note: (i) Pending resolution of the respective proceedings, it is not practicable for the Holding Company to estimate the timing of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.		
Note: (ii) The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.		
4 During the financial year 2022-23, The Holding Company filed a writ petition with the Honourable High Court of Chhattisgarh against South Eastern Coalfields Limited (SECL) in relation to an unfulfilled commitment for coal supply and the issuance of debit notes amounting to Rs. 1.85 crore (including GST) for non-lifting of coal under the Minimum Guaranteed Offtake (MGO) clause. The Honourable High Court directed the matter for settlement. However, in the previous financial year, the Holding Company withdrew the petition as the Settlement Committee did not grant any relief. Subsequently, the Holding Company filed a fresh writ petition in the High Court against both SECL and Indian Railways. In the current financial year, the Honourable High Court ruled against the Holding Company. Consequently, the Holding Company is in the process of filing a civil suit before the Court in Bilaspur.		
5 During the previous year, the Holding Company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provisions of rule 96(10)) of the CGST Rules. The appeal filed before the Joint Commissioner (Appeals) was rejected, pursuant to which the Company has filed a writ petition before the Hon'ble High Court seeking re-credit of the said amount. Based on legal opinion obtained, the Holding company is contesting for relief of interest and penalty with no anticipated adverse implications on the company.		

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 40. Contingent liabilities and commitments (Contd.)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>B. Commitments</b>		
a Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for"	2.93	8.09

### 41. Segment information

#### A. Description of segments and principal activities

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's internal reporting structure. The board of directors have been identified as the chief operating decision maker ('CODM'), since Board of Directors is responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility. The Group's board examines the Group's performance both from a product and geographic perspective and has identified two reportable segments of its business:

- Yarn:** It comprises of recycled polyester staple fibre, cotton and man made fibres yarn;
- Home textiles :** It comprises home furnishing and fabric processing

The Group's board reviews the results of each segment on a quarterly basis. However, of subsidiary company, it review on annual basis. The Group's board of directors uses Earning Before Interest and Tax ('EBIT) to assess the performance of the operating segments.

#### B. Information about reportable segments

Information related to each reportable segment is set out below. Segment's earnings before interest and tax (EBIT) is used to measure the segment's performance because management believes that this information is the most relevant to evaluate the results of the respective segments for comparing it with other entities that operate in the same industries.

Reportable Segments	For the year ended March 31, 2026		
	Yarn	Home Textiles	Total
External revenues	2,399.41	178.89	2,578.30
Inter-segment revenue	2.81		2.81
<b>Segment revenue</b>	<b>2,396.60</b>	<b>178.89</b>	<b>2,575.49</b>
Segment result	(12.26)	(22.48)	(34.74)
Finance costs			66.07
Exceptional items (refer note 38)			13.16
Unallocated corporate income (net of expenses)			(3.51)
<b>Profit before tax</b>			<b>(117.48)</b>
Tax expense			(31.17)
<b>Profit after tax</b>			<b>(86.31)</b>

# Notes to the Consolidated financial statements for the year ended March 31, 2026

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

## 41. Segment information (Contd.)

Reportable Segments	For the year ended March 31, 2025		
	Yarn	Home Textiles	Total
External revenues	2,484.76	195.00	2,679.76
Inter-segment revenue	3.00		3.00
<b>Segment revenue</b>	<b>2,481.76</b>	<b>195.00</b>	<b>2,676.76</b>
Segment result	(19.68)	(25.22)	(44.90)
Finance costs			63.42
Unallocated corporate income (net of expenses)			(1.68)
<b>Profit before tax</b>			<b>(110.00)</b>
Tax expense			(41.60)
<b>Profit after tax</b>			<b>(68.40)</b>

### Other information

	Total assets			Total liabilities		
	Segment assets	Unallocated assets	Total assets	Segment liabilities	Unallocated liabilities	Total liabilities
<b>As at 31 March 2026</b>						
Yarn	1,753.84		1,753.84	728.10	-	728.10
Home textiles	232.86		232.86	113.49	-	113.49
Unallocated		63.65	63.65		393.39	393.39
<b>Total</b>	<b>1,986.70</b>	<b>63.65</b>	<b>2,050.35</b>	<b>841.59</b>	<b>393.39</b>	<b>1,234.98</b>

Capital expenditure	Segment capital expenditure
<b>As at 31 March 2026</b>	
Yarn	57.19
Home textiles	7.46
<b>Total</b>	<b>64.65</b>

	Total assets			Total liabilities		
	Segment assets	Unallocated assets	Total assets	Segment liabilities	Unallocated liabilities	Total liabilities
<b>As at 31 March 2025</b>						
Yarn	1,782.69		1,782.69	797.83		797.83
Home textiles	246.65		246.65	111.01		111.01
Unallocated		21.90	21.90		247.61	247.61
<b>Total</b>	<b>2,029.34</b>	<b>21.90</b>	<b>2,051.24</b>	<b>908.84</b>	<b>247.61</b>	<b>1,156.45</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 41. Segment information (Contd.)

Capital expenditure	Segment capital expenditure
<b>As at 31 March 2025</b>	
Yarn	62.69
Home textiles	2.71
<b>Total</b>	<b>65.40</b>

### C. Geographic information

The Yarn and Home Textile segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in India. The geographic information analyses the Group's revenue by the Group's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

#### a) Revenues from different geographies

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Domestic</b>	1,628.71	1,669.76
<b>Export *</b>	904.20	957.91
	<b>2,532.91</b>	<b>2,627.67</b>
<b>Other operating income</b>	45.39	52.09
<b>Segment revenue</b>	<b>2,578.30</b>	<b>2,679.76</b>
<b>*Export</b>		
Bangladesh	195.72	251.49
Turkey	158.82	132.70
Brazil	119.53	-
USA	65.96	108.70
Egypt	44.18	33.90
Others	319.99	431.12
	<b>904.20</b>	<b>957.91</b>

#### b) Non-current assets\*\*

Particulars	As at March 31, 2026	As at March 31, 2025
India	1,011.96	1,048.68
Outside India	1.66	3.12
	<b>1,013.62</b>	<b>1,051.80</b>

\*\* Non-current assets exclude investments and tax assets.

### 42 Borrowing cost

During the year, the Group has capitalized borrowing cost amounting to Rs. 0.09 crores (31 March 2025: Rs. 0.09 crores) under head plant and equipment. The capitalisation rate used to determine the amount of borrowing costs for capitalisation purpose is weighted average interest rate to the company i.e. 8.15% (31 March 2025 8.20%).

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 43 Employee benefits

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

#### (i) Defined contribution plans:

The Holding Company makes contributions towards provident fund to a defined contribution benefit plan for qualifying employees. Under the plan, the Holding Company is required to contribute a specified percentage of specified employment benefit expenses to the benefit plans.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contribution to provident fund	24.56	24.92
Contribution to employees' state insurance	5.21	5.29

#### (ii) Defined benefit plan:

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. Gratuity liability (other than for Baddi units) is being contributed to the gratuity fund formed by the Holding Company and in case of Baddi units, company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

#### A. Movement in net defined benefit (asset) liability

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

Reconciliation of present value of defined benefit obligation:

Particulars	As at and for the year ended 31 March 2026			As at and for the year ended 31 March 2025		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Balance at the beginning of the year	59.32	54.82	4.50	58.15	55.83	2.32
Amount Recognised in profit and loss						
Current service cost	6.40		6.40	7.63		7.63
Interest cost	4.15	(3.83)	0.32	4.13	(3.97)	0.16
	10.55	(3.83)	6.72	11.76	(3.97)	7.79

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 43 Employee benefits (Contd.)

Particulars	As at and for the year ended 31 March 2026			As at and for the year ended 31 March 2025		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Remeasurement						
Actuarial loss (gain) arising from:						
- Changes in financial assumptions	(6.51)	(6.51)		0.61	-	0.61
- Changes in demographic assumption	-	-		-	-	-
- Changes in experience adjustment	(4.37)	(4.37)		(3.60)	-	(3.60)
Return on plan assets recognised in OCI		2.07	2.07	-	(0.15)	(0.15)
<b>Total amount recognised in OCI</b>	<b>(10.88)</b>	<b>2.07</b>	<b>(8.81)</b>	<b>(2.99)</b>	<b>(0.15)</b>	<b>(3.14)</b>
Contributions paid by the employer		3.24	-	-	2.44	-
Past Service Cost including curtailment Gains/Losses #	0.23		-			-
Benefits paid	(7.22)	(7.22)	-	(7.60)	(7.60)	-
Interest income		1.77	-	-	4.15	-
Balance at the end of the year	<b>52.00</b>	<b>52.61</b>	<b>(0.61)</b>	<b>59.32</b>	<b>54.82</b>	<b>4.50</b>

# Consequent to the implementation of the Code on Wages, 2019, the Company has reassessed the definition of wages for employee benefit obligations. In accordance with Ind AS 19, the resulting impact has been treated as a plan amendment and recognised as past service cost.

Accordingly, an incremental gratuity liability of Rs. 0.23 crore has been recognised in the Statement of Profit and Loss for the year ended 31 March 2026 and disclosed as an 'Exceptional Item'. (refer note 38(b))

#### B. Plan assets

For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:

Particulars	Amounts		% Composition	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
State/ Govt. of India securities	6.47	7.44	12%	14%
Corporate bonds/ fixed deposits with banks	2.95	4.54	6%	8%
Special deposit scheme with Bank	3.51	3.51	7%	6%
HDFC group unit linked plan-option B	23.52	27.19	45%	50%
Other investments -UTI master shares	4.20	4.59	8%	8%
LIC Fund	7.12	6.40	14%	12%
Others Refundable net	4.84	1.15	8%	2%
	<b>52.61</b>	<b>54.82</b>	<b>100%</b>	<b>100%</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 43 Employee benefits (Contd.)

#### C. Actuarial assumptions

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

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.78%	6.99%
Expected rate of future salary increase	5.50%	6.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rates at ages: -		
- Up to 30 years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

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

The Holding Company expects to pay Rs. 7.84 Crores (Previous year Rs.11.25 Crores) as contributions to its defined benefit plans in the next year.

#### D. Sensitivity analysis

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(2.12)	2.30	(2.79)	3.04
Expected rate of future salary increase (50 basis points movement)	2.34	(2.18)	3.05	(2.83)
Attrition rate	0.99	(0.99)	0.11	(0.11)
Mortality	0.01	(0.01)	0.01	(0.01)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as regards rate of inflation, rate of increase in payment of pensions, rate of increase in payment of pensions before retirement and life expectancy are not applicable being a lump-sum benefit payable on retirement. Although, the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions disclosed above.

#### E. Maturity profile of defined benefit obligation

Year	As at March 31, 2026	As at March 31, 2025
0 to 1 year	5.89	6.75
1 to 2 year	1.90	1.67
2 to 3 year	1.67	2.02
3 to 4 year	2.77	2.69
4 to 5 year	2.96	2.88
5 to 6 year	3.03	2.97
6 year onwards	33.78	40.34
<b>Total</b>	<b>52.00</b>	<b>59.32</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 43 Employee benefits (Contd.)

#### F. Description of risk exposures:

Defined benefit plans expose the Holding Company to below actuarial risks:

Changes in bond yields:	Decrease in bond yields will increase plan liabilities, although this will partially be offset by the increase in value of the plan assets.
Life expectancy:	Defined benefit obligations are to provide benefits for the life of the members of the plan, so increase in life expectancy will result in increase in plan's liabilities. This is particularly significant where inflationary increase results in higher sensitivity to the changes in life expectancy.
Asset Volatility	Asset volatility is the risk that when assets underperform in comparison to the bond yield, then this create asset deficit.

### 44 Related parties\*

#### A. Related parties and their relationships

##### i Entity in which KMP has significant influence where transactions have taken place during current and previous year

SIL Investments Limited

##### ii Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. C. S. Nopany	Executive Chairman
Mr. U. K. Khaitan	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Mr. Amit Dalal	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Mr. Rajan Dalal	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Mr. Rajiv K. Podar	Non-executive Director (till 22 <sup>nd</sup> Aug 2024)
Smt. Sonu Bhasin	Non-executive Director
Mr. Ashok Mittal	Non-executive Director
Mr. Rohit Dhoot	Non-executive Director
Mr. Arhant Vikram Nopany	Non-executive Director (Wef 30 <sup>th</sup> July 2024)
Mr. Sameer Kaji	Non-executive Director (Wef 9 <sup>th</sup> May 2024)
Ms. Deepa Kapoor	Non-executive Director (Wef 9 <sup>th</sup> May 2024)
Mr. Sachin J Karwa	Chief Financial Officer (W.e.f. 9 <sup>th</sup> June 2025)
Mr. Rajib Mukhopadhyay	Chief Financial Officer (Whole Time Director till 24 <sup>th</sup> March 2025 and CFO till 8 <sup>th</sup> June 2025)
Mr. Ashish Kumar Srivastava	Whole Time Director and Chief Executive Officer (Wef 24 <sup>th</sup> March 2025)
Mr. Suresh Kumar Khandelia	Advisor to Executive Chairman (till 31 <sup>st</sup> March 2025)

##### iii Post employment benefit entity:

Sutlej Textiles and Industries Employee Gratuity Fund

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 44 Related parties\* (Contd.)

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>a) Transactions with SIL Investments Limited</b>		
Unsecured loan taken	50.00	-
Interest paid	1.07	-
Rent received ^	0.00	-
^ Rent received Rs. 39000		
<b>b) Remuneration to key managerial personnel</b>		
Mr. C. S. Nopany		
- Short-term employee benefits	1.95	3.00
- Commission	-	-
Mr. Suresh Kumar Khandelia		
- Short-term employee benefits	-	6.00
Mr. Rajib Mukhopadhyay		
- Short-term employee benefits	0.32	1.40
- Post-employment benefits	0.03	0.10
Mr. Ashish Kumar Srivastava		
- Short-term employee benefits	3.47	0.10
- Post-employment benefits	0.18	-
Mr. Sachin J. Karwa		
- Short-term employee benefits	0.84	-
- Post-employment benefits	0.05	-
<b>c) Directors' sitting fees</b>		
Mr. C. S. Nopany	0.04	0.03
Mr. U. K. Khaitan	-	0.02
Mr. Amit Dalal	-	0.02
Mr. Rajan Dalal	-	0.02
Mr. Rajiv K. Podar	-	0.02
Smt. Sonu Bhasin	0.01	0.04
Mr. Rohit Dhoot	0.06	0.04
Mr. Arhant Vikram Nopany	0.06	0.04
Mr. Sameer Kaji	0.06	0.04
Ms. Deepa Kapoor	0.07	0.04
Mr. Ashok Mittal	0.07	0.05
<b>d) Directors' commission</b>		
Smt. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Arhant Vikram Nopany	0.10	0.10
Mr. Sameer Kaji	0.10	0.10
Ms. Deepa Kapoor	0.10	0.10
Mr. Ashok Mittal	0.10	0.10
<b>e) Contribution to Post employment benefit entity</b>		
Sutlej Textiles and Industries Limited Employee Gratuity Fund	2.02	2.44

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 44 Related parties\* (Contd.)

#### C. Balances outstanding

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Unsecured Loan Payable</b>		
SIL Investments Limited (refer note 18(b))	50.00	-
<b>Mr. C. S. Nopany</b>		
Remuneration	0.10	0.25
<b>Short-term employee benefit payable</b>		
Mr. Suresh Kumar Khandelia	-	0.50
Mr. Rajib Mukhopadhyay	-	0.11
Mr. Ashish Kumar Srivastava	0.27	0.10
Mr. Sachin J. Karwa	0.09	-
<b>Post employment benefit payables</b>		
Mr. Ashish Kumar Srivastava	0.19	-
Mr. Rajib Mukhopadhyay	-	0.20
Mr. Sachin J. Karwa	0.05	-
<b>Directors' Commission Payables (Including TDS):</b>		
Smt. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Arhant Vikram Nopany	0.10	0.10
Mr. Sameer Kaji	0.10	0.10
Ms. Deepa Kapoor	0.10	0.10
Mr. Ashok Mittal	0.10	0.10
<b>Directors' fees payables</b>		
Mr. C. S. Nopany ^	0.00	-
Mr. Ashok Mittal ^	0.00	-
Mr. Arhant Vikram Nopany ^	0.00	-
^ Director's Fees payable Rs.25000 to each		
<b>Payables:</b>		
Sutlej Textiles and Industries Limited Employee Gratuity Fund	-	3.28
<b>Receivable:</b>		
Rent receivable from SIL Investments Limited ^	0.00	-
^ Rent receivable Rs. 8250		

# Notes to the Consolidated financial statements for the year ended March 31, 2026

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

\* Transactions with related parties are conducted on an arm's length basis.

## 45 Financial instruments – Fair values and risk management

### I. Fair value measurements

#### A. Financial instruments by category

Particulars	Note	As at 31 March 2026		As at 31 March 2025	
		FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>					
Investments					
Equity shares of JNSB*	5	0.00	-	0.00	-
Equity shares of Continuum green energy Ltd.	5	-	0.83	-	-
Other non-current financial assets	6	-	13.56	-	13.55
Trade receivables	10	-	373.41	-	345.00
Cash and cash equivalents	11	-	6.91	-	11.92
Bank balances other than cash and cash equivalents	12	-	8.58	-	7.51
Other current financial assets	13	-	51.81	0.90	51.62
		<b>0.00</b>	<b>455.10</b>	<b>0.90</b>	<b>429.60</b>
<b>Financial liabilities</b>					
Non Current Borrowings	18	-	333.40	-	324.66
Lease liabilities	19	-	1.56	-	2.71
Other non-current financial liabilities	20	-	6.52	-	6.52
Short-term borrowings	24	-	595.71	-	551.31
Trade payables	25	-	179.16	-	164.22
Other current financial liabilities	26	11.60	60.67	-	56.85
		<b>11.60</b>	<b>1177.02</b>	<b>-</b>	<b>1106.27</b>

\*The total amount of investments in absolute value is Rs. 5,000 (31 March 2025: Rs. 5000), but for reporting purposes rounded up to Rs. 0.0 Crores

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

There are no transfers made between level 1 and level 2 during the year.

#### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

- the fair value of forward foreign exchange contracts is determined as per values provided by banks
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

### B. Fair value hierarchy

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

- recognised and measured at fair value, and
- measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2026</b>				
<b>Financial assets</b>				
<b>Financial investments at FVTPL</b>				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative assets	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
<b>As at 31 March 2025</b>				
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative assets	-	0.90	-	0.90
<b>Total financial assets</b>	<b>-</b>	<b>0.90</b>	<b>0.00</b>	<b>0.90</b>

\*The total amount of investments in absolute value is Rs. 5,000, but for reporting purposes rounded up to Rs. 0.0 Crores

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There are no transfers made between level 1 and level 2 during the year.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted equity shares*	
	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.00	0.00
Gain/(losses) recognised in statement of profit or loss	-	-
<b>Balance at the end of the year</b>	<b>0.00</b>	<b>0.00</b>

\*The total amount of investments in absolute value is Rs. 5,000, but for reporting purposes rounded up to Rs. 0.0 Crores.

Valuation inputs and relationships to fair value

Type of financial instrument	Fair Value as at		Significant unobservable inputs	Probability-weighted range
	As at March 31, 2026	As at March 31, 2025		
Unquoted equity shares ( In equity shares of Co-operative Bank: The Jhalawar Nagrik Sahakari Bank Ltd., Bhawanimandi*)	0.00	0.00	0.00	-

\*The total amount of investments in absolute value is Rs. 5,000 (31 March 2025: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 Crores. Sensitivity analysis of unlisted equity shares has been ignored being not material.

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Investments	0.83	0.83	-	-
Other non current financial assets	13.56	13.56	13.55	13.55
Trade receivables	373.41	373.41	345.00	345.00
Cash and cash equivalents	6.91	6.91	11.92	11.92
Bank balances other than cash and cash equivalents	8.58	8.58	7.51	7.51
Other current financial assets	51.81	51.81	51.62	51.62
	<b>455.10</b>	<b>455.10</b>	<b>429.60</b>	<b>429.60</b>
<b>Financial liabilities</b>				
Borrowings	333.40	333.40	324.66	324.66
Lease liabilities	1.56	1.56	2.71	2.71
Other non-current financial liabilities	6.52	6.52	6.52	6.52
Short term borrowings	595.71	595.71	551.31	551.31
Trade payables	179.16	179.16	164.22	164.22
Other current financial liabilities	60.67	60.67	56.85	56.85
	<b>1,177.02</b>	<b>1,177.02</b>	<b>1,106.27</b>	<b>1,106.27</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of Rs. 15.49 Crores at 31 March 2026 (31 March 2025: Rs.19.43 Crores). The cash and cash equivalents and other bank balances are held with banks and financial institution counterparties, which are rated A1, based on India ratings. Impairment on cash and cash equivalents and other bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. There is no impairment allowance at 31 March 2026 and 31 March 2025.

Derivatives

The derivatives are entered into with banks and financial institution counterparties, which are rated A1, based on India ratings

## II. Financial risk management

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

- Credit risk;
- Liquidity risk and
- Market risk

### i. Risk management framework

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

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

### ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. The Group monitors credit risk very closely both in domestic and export markets. The Management impact analysis shows credit risk and impact assessment as low. The carrying amount of financial assets represent maximum credit risk exposure. The Group assess the credit quality of counter parties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past financials and external ratings, if such information is available, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Any credit limit exceeding those limits requires approval from the chief financial officer of the Group. To monitor customer credit risk, customers are reviewed in terms of their credit characteristics, including

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

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

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

During the previous year, the Group has made write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Group management also pursue all legal options for recovery of dues wherever necessary based on its internal assessment

#### Reconciliation of loss allowance provision – trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	(10.04)	(7.01)
Add: Loss allowance	(0.25)	(3.73)
Bad debts	0.09	0.70
<b>Balance at the end of the year</b>	<b>(10.20)</b>	<b>(10.04)</b>

#### iii. Liquidity risk

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

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

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

#### (a) Financing arrangements

The Group had access to the following undrawn borrowing facilities as at reporting date:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Floating rate</b>		
Expiring within one year (credit limit and other facilities)	-	46.76
Expiring within one year (Term loans)	200.00	60.00
	<b>200.00</b>	<b>106.76</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

The credit limit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees and have an average maturity of 2 Years 6 Months as at 31 March 2026 (31 March 2025 - 2 Years 7 Months).

#### (b) Maturities of financial liabilities

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

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 months	1–5 years	More than 5 years
<b>As at 31 March 2026</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	333.40	333.40	-	333.40	-
Lease liabilities	1.56	1.56	1.00	0.06	0.50
Other non-current financial liabilities	6.52	6.52	-	0.03	6.49
Short term borrowings	595.71	595.71	595.71	-	-
Trade payables	179.16	179.16	179.16	-	-
Other current financial liabilities	72.27	72.27	72.27	-	-
<b>Total financial liabilities</b>	<b>1,188.62</b>	<b>1,188.62</b>	<b>848.14</b>	<b>333.49</b>	<b>6.99</b>
<b>As at 31 March 2025</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	324.66	324.66	-	311.36	13.30
Lease liabilities	2.71	2.71	0.78	1.42	0.51
Other non-current financial liabilities	6.52	6.52	-	0.03	6.49
Short term borrowings	551.31	551.31	551.31	-	-
Trade payables	164.22	164.22	164.22	-	-
Other current financial liabilities	56.85	56.85	56.85	-	-
<b>Total financial liabilities</b>	<b>1,106.27</b>	<b>1,106.27</b>	<b>773.16</b>	<b>312.81</b>	<b>20.30</b>

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

#### iv. Market risk

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

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out as per guidelines of the Management.

##### a. Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Rupees). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rupees cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Group also consults external experts for their views on the currency rates in volatile foreign exchange markets.

Currency risks related to payables and receivables denominated in foreign currencies have been partially hedged using forward contracts taken by the Group.

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

#### (i) Exposure to currency risk

The quantitative data about the Group's exposure to currency risk as reported by the management of the Group is as follows:

Particulars	USD	EUR	GBP	Total (in INR)
<b>31 March 2026</b>				
<b>Financial assets/ liabilities</b>				
Trade receivables	2.75	0.01	0.00	262.37
Foreign currency working capital borrowings	(0.82)	-	-	(77.53)
Trade payables	(0.08)	(0.00)	-	(7.43)
<b>Net statement of financial position exposure</b>	<b>1.85</b>	<b>0.01</b>	<b>0.00</b>	<b>177.41</b>
<b>31 March 2025</b>				
<b>Financial assets/liabilities</b>				
Trade receivables	2.90	-	-	248.18
Foreign currency working capital borrowings	(2.05)	-	-	(175.44)
Trade Payables	(0.11)	(0.00)	(0.00)	(9.45)
<b>Net statement of financial position exposure</b>	<b>0.75</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>63.30</b>

#### (ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	Total (in INR)
<b>31 March 2026</b>				
<b>Financial assets/ liabilities</b>				
<b>Trade receivables</b>	-	-	-	-
Foreign currency working capital borrowings	(0.82)	-	-	(77.53)
Trade payables	(0.08)	(0.00)	-	(7.43)
<b>Net statement of financial position exposure</b>	<b>(0.90)</b>	<b>(0.00)</b>	<b>-</b>	<b>(84.96)</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

Particulars	USD	EUR	GBP	Total (in INR)
<b>31 March 2025</b>				
<b>Financial assets/ liabilities</b>				
Trade receivables	-	-	-	-
Foreign currency working capital borrowings	(2.05)	-	-	(175.44)
Trade payables	(0.11)	(0.00)	(0.00)	(9.45)
<b>Net statement of financial position exposure</b>	<b>(2.15)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(184.89)</b>

Note -The total amount in absolute value is less than 100,000, but for reporting purposes rounded up to Rs. 0.0 Crores.

#### (iii) Derivative instruments

	USD	EUR	Total (in INR)
<b>31 March 2026</b>			
Forward contract for export trade receivables outstanding	3.82	-	361.58
<b>31 March 2025</b>			
Forward contract for export trade receivables outstanding	1.92	0.06	169.54

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
USD 1	88.82	84.80	94.65	85.58
EURO 1	103.24	91.51	109.01	92.40
GBP 1	119.27	108.77	125.63	110.82

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rupees (Rs.) against foreign currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss*		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2026*</b>				
USD (10% movement)	0.19	(0.19)	0.12	(0.12)
EURO (10% movement)	0.00	(0.00)	-	-
GBP (10% movement)	0.00	(0.00)	-	-
<b>31 March 2025*</b>				
USD (10% movement)	0.08	(0.08)	0.05	(0.05)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	(0.00)	0.00	-	-

\* amount 0.00 represents rounded off amount in Crores which are less than Rs. 1,00,000 in absolute value terms

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

#### b. Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During financial year 2025-26 and financial year 2024-25, the Group's borrowings at variable rates were denominated in Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

#### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	Nominal Amount	
	As at 31 March 2026	As at 31 March 2025
<b>Fixed-rate instruments</b>		
Financial assets	-	-
Fixed deposits with Banks	8.40	7.18
Financial liabilities	-	-
	<b>8.40</b>	<b>7.18</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	929.11	875.97
	<b>929.11</b>	<b>875.97</b>

#### Cash flow sensitivity analysis for variable-rate instruments

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

	Profit or loss		Equity, net of tax	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
<b>31 March 2026</b>				
Variable-rate instruments	(4.65)	4.65	(3.03)	3.03
<b>Cash flow sensitivity</b>	<b>(4.65)</b>	<b>4.65</b>	<b>(3.03)</b>	<b>3.03</b>
<b>31 March 2025</b>				
Variable-rate instruments	(4.38)	4.38	(2.85)	2.85
<b>Cash flow sensitivity</b>	<b>(4.38)</b>	<b>4.38</b>	<b>(2.85)</b>	<b>2.85</b>

#### Fair value sensitivity analysis for fixed-rate instruments

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

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 45 Financial instruments – Fair values and risk management (Contd.)

#### c. Commodity price risks

The Group is exposed to the risk of price fluctuations of raw materials, dyes and chemicals, work-in-progress and finished goods. The Group manages its commodity price risk by maintaining adequate inventory of raw materials, dyes and chemicals, work in progress and finished goods considering anticipating movement in prices. To counter raw materials risk, the Group works with varieties of fibres (natural and manmade) with the objective to moderate raw material cost, enhance application flexibility and increase product functionality and also invested in product development and innovation.

#### Inventory sensitivity analysis (raw materials, dyes and chemicals, work in progress and finished goods)

A reasonably possible change of 10% in prices of inventory at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Inventories (raw materials, dyes and chemicals, work in progress and finished goods)	Profit or loss		Equity, net of tax	
	10 % increase	10 % decrease	10 % increase	10 % decrease
31 March 2026	47.54	(47.54)	31.09	(31.09)
31 March 2025	47.84	(47.84)	31.28	(31.28)

46 In respect of Okara Mills, Pakistan, (which remained with the Group as a result of transfer of textiles division of Sutlej Industries Limited with the Group) no returns have been received after 31 March 1965. Against net assets, amounting to Rs 2.32 crores of Okara Mills, Pakistan, the demerged /transferor Group received ad hoc compensation of Rs. 0.25 crores from Government of India in the year 1972-73. These assets now vest with the Custodian of Enemy Property, Pakistan for which claim has been filed with the Custodian of Enemy Property in India. The Group shall continue to pursue its claim for compensation/ restoration of assets. Hence, further compensation, if any received, will be recorded in the year of receipt. In the financial year 2003-04, net assets of Rs. 2.07 crores (net of compensation received) as at 31 March 1965 was provided for.

### 47 Capital management

The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility. The Board of directors regularly review the Group's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Group's capital management, capital includes issued share capital and all other equity reserves. Debt includes short term and long term borrowings. During the financial year ended 31 March 2026, no significant changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

#### (i) Debt equity ratio:

Particulars	As at March 31, 2026	As at March 31, 2025
Net debt*	913.62	856.54
<b>Total debt (A)</b>	<b>913.62</b>	<b>856.54</b>
Equity share capital	16.38	16.38
Other equity	798.99	878.41
<b>Total equity (B)</b>	<b>815.37</b>	<b>894.79</b>
<b>Debt equity ratio (C=A/B)</b>	<b>1.12</b>	<b>0.96</b>

\*The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 47 Capital management (Contd.)

#### (i) Return on equity

Particulars	As at March 31, 2026	As at March 31, 2025
Profit for the year	(86.31)	(68.40)
Equity share capital	16.38	16.38
Other equity	798.99	878.41
<b>Total equity</b>	<b>815.37</b>	<b>894.79</b>
<b>Return on equity ratio (%)</b>	<b>-10.59%</b>	<b>-7.64%</b>

(iii) The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 8.15% (31 March 2025: 8.20%).

### 48 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries.

Name of the enterprise	Net assets i.e. total assets - total liabilities share		Share in profit or loss for the year	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>31 March 2026</b>				
<b>1. Holding Company</b>	100.56	819.95	69.39	(59.89)
<b>2. Foreign subsidiary Company</b>				
Sutlej Holdings Inc. (including American Silk Mills, LLC)	(0.56)	(4.58)	30.61	(26.42)
	<b>100.00</b>	<b>815.37</b>	<b>100.00</b>	<b>(86.31)</b>
<b>31 March 2025</b>				
<b>1. Holding Company</b>	97.60	873.35	90.16	(61.67)
<b>2. Foreign subsidiary Company</b>				
Sutlej Holdings Inc. (including American Silk Mills, LLC)	2.40	21.44	9.84	(6.73)
	<b>100.00</b>	<b>894.79</b>	<b>100.00</b>	<b>(68.40)</b>

Name of the enterprise	Other comprehensive income for the year		Total comprehensive income for the year	
	As % of consolidated other comprehensive income for the year	Amount	As % of consolidated total comprehensive income for the year	Amount
<b>31 March 2026</b>				
<b>1. Holding Company</b>	83.16	5.73	68.19	(54.16)
<b>2. Foreign subsidiary Company</b>				
Sutlej Holdings Inc. (including American Silk Mills, LLC)	16.84	1.16	31.81	(25.26)
	<b>100.00</b>	<b>6.89</b>	<b>100.00</b>	<b>(79.42)</b>

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

### 48 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries. (Contd.)

Name of the enterprise	Other comprehensive income for the year		Total comprehensive income for the year	
	As % of consolidated other comprehensive income for the year	Amount	As % of consolidated total comprehensive income for the year	Amount
<b>31 March 2025</b>				
<b>1. Holding Company</b>	97.61	2.04	89.93	(59.63)
<b>2. Foreign subsidiary Company</b>				
Sutlej Holdings Inc. (including American Silk Mills, LLC)	2.39	0.05	10.07	(6.68)
	<b>100.00</b>	<b>2.09</b>	<b>100.00</b>	<b>(66.31)</b>

### 49 Regulatory information

- (i) The Group does not have any benami property where any proceedings have been initiated or pending against the Group for holding such benami property.
- (ii) The Group does not have any transactions with companies that have been struck off.
- (iii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (iv) The Group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (v) The Group has not traded or invested in cryptocurrency or virtual currency during the financial year.
- (vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a) 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;
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (ix) The Group does not have any such transaction which is 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)
- (x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two Core Investment Company ("CIC") as part of the Group i.e. Ganges Securities Limited and New India Retailing & Investment Ltd (unregistered CIC).
- (xi) The Group has complied with the number of layers prescribed under the companies Act 2013
- (xii) The Group has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

## Notes to the Consolidated financial statements for the year ended March 31, 2026

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

**50** The Holding Company has used accounting software for maintaining its books of account, which has the feature of recording audit trail (edit log) facility, and the same has been operational throughout the year for all relevant transactions recorded in the respective software, except in respect of payroll processing for workers, the previously used software had limitations in validating audit trail configurations at both the application and database levels. To address this, the Holding Company has implemented a new payroll software solution. The staff payroll module has been implemented and is operational during the current financial year, with the audit trail (edit log) feature enabled and functioning. The implementation of the workers' payroll module is in progress and is expected to be completed in the subsequent financial year.

### 51 Disclosure u/s 186(4) of the Companies Act, 2013 :

#### Particulars of Investments made:-

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<b>Investment in Equity shares of Continuum Green Energy Ltd (Refer Note 5 B) #</b>		
Investment made during the year	5.71	-
Fair value adjustment as per Ind-As -109- Financial Instruments	(4.88)	-
Balance outstanding as at reporting date	0.83	-

The Company has invested in Continuum Green Energy Limited (The "CGEL") in accordance with the share purchase and shareholders' agreement, which provides the Company an assured right to draw power from the wind-solar hybrid plant operated and maintained by the CGEL.

#### Signatures to Notes 1 to 51

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

**For B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Regn. No.101248W / W-100022

For and on behalf of the Board of Directors of  
**Sutlej Textiles and Industries Limited**

**Shashank Agarwal**  
Partner  
Membership No : 095109  
Place : Mumbai  
Date: 05 May 2026

**Rohit Dhoot**  
Director  
DIN : 00016856  
Place : Mumbai  
Date: 05 May 2026

**C. S. Nopany**  
Executive Chairman  
DIN : 00014587  
Place : Mumbai  
Date: 05 May 2026

**Ashish Kumar Srivastava**  
Whole time Director and CEO  
DIN : 06527942  
Place: Mumbai  
Date: 05 May 2026

**Sachin J Karwa**  
Chief Financial Officer  
M.No. : 115188  
Place: Mumbai  
Date: 05 May 2026

**Manoj Contractor**  
Company Secretary  
M.No. : A11661  
Place: Mumbai  
Date: 05 May 2026

## Form AOC - I

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

### Part "A": Subsidiaries

(in Rs.)

Sr. No.	Particulars	Sutlej Holdings, Inc.	American Silk Mills, LLC.
1.	CIN / Any other registration number	6560371	6560368
2.	Date since when subsidiary was acquired	28.09.2017	28.09.2017
3.	Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i) / Section 2(87)(ii))	Section 2(87)(ii)	Section 2(87)(ii)
4.	Reporting Period	FY 2025-26	FY 2025-26
5.	Reporting Currency	INR	INR
6.	Exchange Rate	94.65	94.65
7.	Share Capital	79,59,93,381	54,21,42,894
8.	Reserves and Surplus	-63,32,20,328	-100,46,27,001
9.	Total Assets	24,67,15,454	2,03,64,635
10.	Total Liabilities	8,39,42,401	48,28,48,741
11.	Investments	-	-
12.	Turnover	-	9,80,84,890
13.	Profit / (Loss) before Taxation	3,23,42,306	-18,26,35,068
14.	Exceptional item (see Note - 1)	20,73,84,488	0
15.	Provision for Taxation	17,661	-
16.	Profit & Loss after Taxation	-17,50,75,356	-18,26,35,068
17.	Proposed Dividend	-	-
18.	% of Shareholding	100%	100%

Note: Sutlej Holdings, Inc. is the subsidiary of the Company and American Silk Mills, LLC. is the step-down subsidiary of the Company.

### Note - 1:

Sutlej Holdings, Inc. assessed the recoverability of the investment and loan extended to its wholly owned subsidiary, American Silk Mills, LLC. During the year ended 31<sup>st</sup> March, 2026, American Silk Mills, LLC made a strategic decision to significantly curtail its business operations due to adverse market conditions and continued financial underperformance. Based on the assessment, management concluded that the carrying amounts of the investment and loan were no longer recoverable. Accordingly, the aggregate carrying amount of the investment and loan amounting to Rs. 20.74 crore has been written off and recognised as an 'Exceptional Item' in the Statement of Profit and Loss.

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

The Company does not have any Associates and Joint Venture Company.

#### For and on behalf of the Board of Directors of Sutlej Textiles and Industries Limited

**Rohit Dhoot**  
Director  
DIN: 00016856  
Place: Mumbai  
Date: 05<sup>th</sup> May, 2026

**C. S. Nopany**  
Executive Chairman  
DIN: 00014587  
Place: Mumbai  
Date: 05<sup>th</sup> May, 2026

**Ashishkumar Srivastava**  
Wholetime Director and CEO  
DIN: 06527942  
Place: Mumbai  
Date: 05<sup>th</sup> May, 2026

**Sachin J. Karwa**  
Chief Financial Officer  
M. No. :115188  
Place: Mumbai  
Date: 05<sup>th</sup> May, 2026

**Manoj Contractor**  
Company Secretary  
M. No. A11661  
Place: Mumbai  
Date: 05<sup>th</sup> May, 2026



**Sutlej**  
textiles and industries limited

Sutlej Textiles and Industries Limited

## SUTLEJ TEXTILES AND INDUSTRIES LIMITED

(CIN: L17124RJ2005PLC020927)

Regd. Office: Pachpahar Road, Bhawanimandi 326 502 (Rajasthan)

Tel. No.: (07433) 222052 / 82 / 90 Fax: (07433) 222354 / 222916

Email: investor.relations@sutlejtextiles.com website: www.sutlejtextiles.com

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the Members of Sutlej Textiles and Industries Limited, will be held on Monday, 27<sup>th</sup> July, 2026 at 3.00 p.m. through Video Conference (VC) or any Other Audio Visual Means (OAVM) to transact the following business:

### A. AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company as at 31<sup>st</sup> March, 2026, together with the Reports of the Auditors and Directors thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company as at 31<sup>st</sup> March, 2026, together with the Reports of the Auditors thereon.
3. To appoint a Director in place of Mr. Ashishkumar Srivastava (DIN 06527942) who retires by rotation and being eligible, offers himself for re-appointment.

### B. AS SPECIAL BUSINESS:

#### Item no. 4

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 (the Act) including any statutory modification(s) or re-enactment thereof, for the time being in force, read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, M/s. K. G. Goyal & Associates who have been appointed as the Cost Auditors of the Company and its units, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the appointment of M/s. K. G. Goyal & Associates as Cost Auditors (the "Cost Auditor") shall also extend to all such unit/s as may be owned by the Company during the financial year 2026 - 27; and shall be on such remuneration as may be mutually agreed between the Company and the Cost Auditor, subject to the recommendation of the Audit Committee and approved resolution of the Board in this behalf.

**RESOLVED FURTHER THAT** the Board and / or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

#### Item no. 5

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161, 197, Schedule IV, V and other applicable provisions of the Companies Act, 2013 ("the Act") read with The Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Alok Ohrie (DIN 01052136), who on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Independent Director of the Company with effect from 05<sup>th</sup> May, 2026 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Alok Ohrie for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for 5 (five) consecutive years commencing from 05<sup>th</sup> May, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** any one Director / Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board  
For Sutlej Textiles and Industries Limited

**Manoj Contractor**  
Company Secretary and Compliance Officer  
Membership No. A11661

Place: Mumbai  
Date: 05<sup>th</sup> May, 2026

## NOTES FOR MEMBERS' ATTENTION

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) relating to the special business to be transacted at the 21<sup>st</sup> Annual General Meeting (AGM) as set out in the Notice, is annexed hereto. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations, 2015') and Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, in respect of the Director retiring by rotation and seeking re-appointment at this AGM, is furnished as Annexure to this Notice.
2. The Ministry of Corporate Affairs (MCA) in continuation to previous Circulars has further extended the relaxation of convening the AGM through Video Conference (VC) / Other Audio Visual Means (OAVM) vide Circular dated 22<sup>nd</sup> September, 2020 till further orders, in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 5<sup>th</sup> May 2020. In compliance with the provisions of the Companies Act, 2013 ('the Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA & SEBI Circulars, the 21<sup>st</sup> AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. National Securities Depositories Limited (NSDL) will be providing the facility for voting through remote e-Voting, for participation in the AGM through VC / OAVM facility and e-Voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained in note no. 14 below and is also available on the website of the Company at [www.sutlejtextiles.com](http://www.sutlejtextiles.com).
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, in terms of the provisions of Sections 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC / OAVM on their behalf and participate thereat, including casting votes by electronic means.
4. The Annual Report including Notice of the 21<sup>st</sup> AGM of the Company inter alia indicating the process and manner of e-Voting is being sent only by email, to all the Members whose email IDs are registered with the Company / Depository Participant(s) (DPs) for communication purposes and to all other persons so entitled. For those Members whose email ids are not registered, a letter providing the details of the web-link from where the Annual Report and Notice of the AGM can be accessed is being sent via post / courier. Further, in terms of the applicable provisions of the Act, Listing Regulations, 2015 read with the said Circulars issued by MCA and SEBI, the Annual Report including Notice of the 21<sup>st</sup> AGM of the Company will be available on the website of the Company at [www.sutlejtextiles.com](http://www.sutlejtextiles.com). The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
5. Members are requested to send all their documents and communications pertaining to shares to MUFG Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company at their address at C-101, Embassy 247, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra 400 083, Telephone No. (+91) 8108116767, [investor.helpdesk@in.mpms.mufg.com](mailto:investor.helpdesk@in.mpms.mufg.com), for both physical and demat segment of Equity Shares. Please quote on all such correspondence - "Unit - Sutlej Textiles and Industries Limited".
6. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
7. **'SWAYAM' - Member Self-Service Portal**

The RTA of the Company has launched 'SWAYAM', Members Self-Service Portal, designed exclusively for the Members serviced by the RTA of the Company.

'SWAYAM' is a secure, user-friendly platform that empowers Members to effortlessly access information through a dashboard and avail various services in digital mode. Following are the key features and benefits of 'SWAYAM' Portal:

- Updated status on electronic holdings across various companies serviced by the RTA and its subsidiaries.
- Tracking of corporate actions.
- Generate and track service requests / complaints raised on this portal.
- Members holding shares in physical form can register on the said Portal only after updating their KYC details in their folio.

The Members can visit and access the 'SWAYAM' Portal at <https://swayam.in.mpms.mufg.com/>.

8. As per the provisions of Section 72 of the Act, facility for making nomination is available to individuals holding shares in the Company. Members holding shares in physical form who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If the Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR- 3 or Form SH-14, as the case may be. Members may download the Nomination Form from the Company's website under the weblink at <https://www.sutlejtextiles.com/investor-relations.html?section=stock-exchange-compliance>

Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA at [investor.helpdesk@in.mpms.mufig.com](mailto:investor.helpdesk@in.mpms.mufig.com) in case the shares are held in physical form, quoting their folio no(s).

9. In accordance with SEBI master circular dated 06<sup>th</sup> February, 2026, the Company has sent / will be sending out intimations to those Members, holding shares in physical form, whose PAN, KYC and / or Nomination details are not updated with a request to update the details. The investor service request forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on our website [www.sutlejtextiles.com](http://www.sutlejtextiles.com). In view of the above, we urge the Members to submit the Investor Service Request form along with the supporting documents to the Company / RTA at the earliest.
10. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 and SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026 dated 30<sup>th</sup> January, 2026, has mandated Listed Companies to issue securities only in demat form while processing service requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website under the weblink at :

<https://www.sutlejtextiles.com/pdf/ISR/FORM-ISR-4-Request%20for%20issue%20of%20Duplicate%20Certificate.pdf>

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat / electronic form to get inherent benefits of dematerialization and also considering that physical transfer of equity shares / issuance of equity shares in physical form have been disallowed by SEBI.

Further, pursuant to the SEBI Circular dated 30<sup>th</sup> January 2026, effective from 02<sup>nd</sup> April 2026, the issuance of a Letter of Confirmation has been discontinued. Accordingly, Members submitting service requests are required to comply with the revised procedural requirements and submit the prescribed documents and information, as applicable, in accordance with the aforesaid SEBI Circular.

11. Members are requested:
  - a) To quote their folio number / DP ID and Client ID in all correspondence.
  - b) To notify immediately change of their address and bank particulars to the RTA in case the shares are held in physical form; and in case the shares are held in dematerialized form, the information should be passed on directly to their respective Depository Participant and not to the Company / RTA, without any delay.
12. SEBI vide circular nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated 31<sup>st</sup> July, 2023 (updated as on 20<sup>th</sup> December, 2023) and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated 04<sup>th</sup> August, 2023 read with master circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated 11<sup>th</sup> August, 2023, had issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Pursuant to above mentioned circulars, post exhausting the option to resolve their grievance with the Company / its RTA directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through our website at <https://www.sutlejtextiles.com>. Members can access the SEBI Circulars on the website of SEBI at <https://www.sebi.gov.in/> and the same are also available on the website of the Company at <https://www.sutlejtextiles.com>
13. SEBI vide its Circular dated 06<sup>th</sup> February 2026, has simplified the process and documentation requirements for issuance of duplicate share certificates. Duplicate share certificates shall be issued only in dematerialized form. Members may refer to the FAQs and relevant forms available on the website of the Company's RTA, MUFG Intime India Private Limited at <https://web.in.mpms.mufig.com/faq.html>, for details of the applicable procedure and documentation requirements.

#### 14. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM

- i. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-Voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of

Company will be displayed. Please note that Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

- II. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and the window for login shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on 'first come first serve' basis. This will not include large Members (i.e. Members holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
- III. 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.
- IV. The attendance of Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- V. Members seeking any information with regard to accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 18<sup>th</sup> July, 2026, by 5.00 p.m. through email on investor.relations@sutlejtextiles.com. The same will be replied by / on behalf of the Company suitably. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

15. The instructions and other information relating to voting through electronic means is given hereunder:

#### **VOTING THROUGH ELECTRONIC MEANS**

- I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Listing Regulations, 2015 (as amended), the Company is pleased to provide Members with the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting. The Company has engaged the services of National Securities Depository Limited (NSDL), who will provide the e-Voting facility of casting votes to a Member using remote e-Voting system (e-Voting from a place other than venue of the AGM) (remote e-Voting) as well as e-Voting during the proceeding of the AGM (e-Voting at the AGM).
- II. Members who have cast their vote by remote e-Voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again. Only those Members, who will be present at the AGM through VC / OAVM facility and who would not have cast their vote by remote e-Voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- III. The remote e-Voting period commences on 23<sup>rd</sup> July, 2026 (9:00 am) and ends on 26<sup>th</sup> July, 2026 (5:00 pm). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> July, 2026, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- IV. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### **Step 1: Access to NSDL e-Voting system**

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

In terms of SEBI circular dated 09<sup>th</sup> December, 2020 on e-Voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id / mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> <li>2. Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under IDeAS section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> <li>3. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> <li>5. Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  App Store         </div> <div style="text-align: center;">  Google Play         </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>

<p>Individual Members holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and select My Easi New Tab and then use your existing My Easi username and password.</li> <li>2. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there are links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a>. Users may click on login and then select My Easi New Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile number and Email Id as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and will also be able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Members (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

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

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

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

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

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

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

#### Step 2: Cast your vote electronically and join AGM on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Members**

1. Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the **Scrutinizer by e-mail to rajendra@csmco.in** with a copy marked to **evoting@nsdl.com** Institutional Members (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter, etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.com](mailto:evoting@nsdl.com)

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

1. In case shares are held in physical mode, Members are requested to provide duly filled and signed Form ISR 1 alongwith self-attested copy of the PAN card and self-attested copy of any document (eg. Aadhaar Card, Driving License, Voter Identity Card, Passport) in support of the address of the Member, to MUFG Intime India Private Limited, C-101, Embassy 247, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083, Contact No. (+91) 810 811 6767.
2. In case shares are held in demat mode, Members are requested to register / update their email addresses with the relevant Depository Participants (DP). If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode. Alternatively, Members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring User ID and Password for e-Voting by providing above mentioned documents.
3. In terms of SEBI circular dated 09<sup>th</sup> December, 2020 on e-Voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. As mentioned hereinabove, only those Members, who will be present at the AGM through VC / OAVM facility and who would not have cast their vote by remote e-Voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM and their presence shall be counted for the purpose of quorum, however such Members shall not be entitled to cast their vote again at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

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

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC / OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC / OAVM link placed under "Join Meeting" menu. The link for VC / OAVM will be available in

Shareholder / Member login where the EVEN of Company will be displayed. Please note that Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail to investor.relations@sutlejtextiles.com from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number.

Only those Members who have registered themselves as speaker by 5.00 p.m. on 18<sup>th</sup> July, 2026 will be able to speak at the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.

Further, Members who would like to have their questions / queries responded to during the AGM are requested to send such questions / queries in advance within the aforesaid time period.

- V. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> July, 2026.
- VI. Any person, who acquires shares of the Company and becomes Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as e-Voting at the AGM.
- VII. Mr. Rajendra Chouhan of M/s. CSM & Co., Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the entire e-Voting process in a fair and transparent manner.
- VIII. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorized by the Chairman after completion of the scrutiny of e-Voting (votes cast during the AGM and votes cast through remote e-Voting), not later than two working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges, NSDL and will also be displayed on the Company's website at [www.sutlejtextiles.com](http://www.sutlejtextiles.com)
- IX. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, shall be available for electronic inspection by Members during the AGM. All documents referred to in the Notice shall also be available for electronic inspection. Members seeking to inspect such documents can send an email to [investor.relations@sutlejtextiles.com](mailto:investor.relations@sutlejtextiles.com).
  - Pursuant to provisions of Section 124(5) of the Act, dividends which remain unclaimed / un-encashed for a period of 7 years is required to be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 125 of the Act. Therefore, Members who have not encashed their dividend for the financial year 2018-19 to 2023-24 should lodge their request for the same with the RTA or the Company. The IEPF Rules mandate the companies to transfer the shares of Members whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. In accordance with the aforesaid IEPF Rules, the Company after sending notices to all the Members whose shares were due to be transferred to the IEPF Authority and after publishing newspaper advertisement, have transferred the shares pertaining to those Members who had not encashed their dividends for seven consecutive years to the IEPF Authority. The list of Members whose shares have been transferred to the IEPF Authority is available on the website of the Company at [www.sutlejtextiles.com](http://www.sutlejtextiles.com). **Hence, the Company urges all the Members to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2026 are available on the website of the Company [www.sutlejtextiles.com](http://www.sutlejtextiles.com)**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to Item no. 4 and 5 mentioned in the accompanying Notice.

### Item no. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. K. G. Goyal and Associates, Cost Accountants, (Registration No. FRN-000024), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company's units (a) Rajasthan Textile Mills, Bhawanimandi (Raj.); (b) Chenab Textile Mills, Kathua (J&K); (c) Birla Textile Mills, Baddi, (H.P.); (d) Damanganga Home Textiles, Bhilad, (Guj.); (e) Damanganga Process, Bhilad, (Guj.) and (f) Sutlej Green Fibre (also known as Birla Textile Mills Unit II) and any other unit of the Company which may be required to undertake cost audit for the financial year 2026 - 27, at a fee of Rs. 2,25,000/- (Rupees Two Lakhs Twenty Five Thousand only) subject to deduction of tax at source plus Goods and Services Tax, etc., as applicable, apart from certification fees and other out of pocket expenses, as remuneration for cost audit services for the financial year 2026 - 27.

The appointment of M/s. K. G. Goyal & Associates as Cost Auditors shall also extend to all such applicable unit/s as may be owned by the Company during the said financial year; and shall be on such remuneration as may be mutually agreed upon, subject to the recommendation of the Audit Committee of the Board and endorsed / ratified by the resolution of the Members in this behalf.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for approval of item no. 4 set out in the accompanying Notice by way of an ordinary resolution. The Board recommends the ordinary resolution for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

### Item no. 5

On the recommendation of the Nomination and Remuneration Committee, Mr. Alok Ohrie was appointed as an Additional Independent Director at the Board meeting held on 05<sup>th</sup> May, 2026. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act), Mr. Ohrie holds office as an Additional Director up to the date of this Annual General Meeting (AGM). Notice pursuant to Section 160 of the Act has been received in writing from a member proposing the candidature of Mr. Ohrie for the office of Director of the Company.

Mr. Ohrie has done his Engineering (Electronics & Communication), from National Institute of Technology, Karnataka and has over three and a half decades of experience that spans industries and geographies. His key focus areas have been strategy planning and execution, management and leadership, functional and managerial experience, legal and risk management, corporate governance systems and practices and finance, banking and accounts.

Having regard to his background and wide experience, the appointment of Mr. Ohrie will be in the best interest of the Company.

In the opinion of the Board, Mr. Ohrie fulfills the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. It is proposed to appoint Mr. Ohrie as an Independent Director for a term of 5 (five) consecutive years w.e.f. 05<sup>th</sup> May, 2026 and he shall not be liable to retire by rotation.

The Company has received a declaration from Mr. Ohrie confirming that he meets the criteria of independence as prescribed under the Act and Listing Regulations, 2015. Mr. Ohrie has also confirmed that he has not been debarred from holding the office of director by virtue of any order passed by SEBI or any other authority.

The disclosure under Regulation 36(3) of the Listing Regulations, 2015 is set out in Annexure I to the Explanatory Statement. Disclosure required under Schedule V of the Act is given in Annexure II to this Notice.

A copy of the terms and conditions of the appointment of Mr. Ohrie will be available for inspection for the Members at the Registered Office of the Company during office hours on all working days till the date of the AGM.

Mr. Alok Ohrie would be entitled to sitting fees for attending meetings of the Board of Directors and Committees of which he is a member. In addition, he would be entitled to commission as determined by the Board of Directors in accordance with the applicable provisions of the Act, for the Non-Executive Directors of the Company.

Accordingly, consent of the Members is sought for approval of item no. 5 set out in the accompanying Notice by way of a special resolution. The Board recommends the special resolution for approval by the Members of the Company.

Save and except Mr. Alok Ohrie and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

## Annexure I

**PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS, 2015 WITH THE STOCK EXCHANGES, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED IS FURNISHED BELOW:**

<b>Particulars</b>	Mr. Ashishkumar Srivastava	Mr. Alok Ohrie
<b>DIN No.</b>	06527942	01052136
<b>Designation</b>	Wholetime Director and Chief Executive Officer	Independent Director
<b>Age</b>	57 years	60 years
<b>Nationality</b>	Indian	Indian
<b>Date of appointment</b>	24 <sup>th</sup> March, 2025	05 <sup>th</sup> May, 2026
<b>Qualification</b>	<ul style="list-style-type: none"> <li>• Master in Business Management (MBA) - APS University Rewa, Madhya Pradesh, India.</li> <li>• Diploma in Foreign Trade - Indian Institute of Foreign Trade, New Delhi, India.</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Engineering - Electronics &amp; Communication, National Institute of Technology, Karnataka.</li> </ul>
<b>Expertise in specific functional areas</b>	Mr. Ashishkumar Srivastava has vast and rich experience spanning over 26 years mostly in textile value chain, business excellence and strategy frameworks, commercial and business operations, business sustainability, brand development and positioning, financial metrics, budget management, risk management, stakeholder management among others.	Mr. Alok Ohrie is a seasoned industry leader with over three and a half decades of experience in the IT and IT-enabled services sector. Most recently, Mr. Ohrie served as the President and Managing Director of Dell Technologies India Ltd. from April 2013 to July 2025.
<b>Directorships held in other public companies (excluding foreign companies)</b>	1. Morton Foods Limited	1. Subex Limited
<b>Listed entities from which the Director has resigned in the past three years</b>	None	None
<b>Memberships / Chairmanships of Committees of other Indian public companies</b>	<b>Audit Committee:</b> 1. Morton Foods Limited - Member  <b>Nomination &amp; Remuneration Committee:</b> 1. Morton Foods Limited - Chairman	<b>Audit Committee:</b> 1. Subex Limited - Member
<b>Number of Shares held in the Company</b>	Nil	Nil
<b>Inter-se relationships between Directors</b>	Mr. Ashishkumar Srivastava is not related to any other Director.	Mr. Alok Ohrie is not related to any other Director.
<b>No. of Board Meetings attended during the financial year 2025 - 26</b>	7	NA
<b>Details of remuneration last drawn from the Company (Rs.)</b>	Rs. 3,79,09,682/ -	Nil
<b>Terms and Conditions of appointment / re-appointment</b>	Mr. Ashishkumar Srivastava is proposed to be re-appointed as the Wholetime Director of the Company and is liable to retire by rotation.	Mr. Alok Ohrie is proposed to be appointed as an Independent Director of the Company on the terms and conditions contained in the Explanatory Statement to the notice and is not liable to retire by rotation.
<b>Skills and capabilities required for the role and the manner in which the proposed Independent Director meets such requirements</b>	N. A.	Covered in item no. 5 of the Explanatory Statement.

## Annexure II

### STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SCHEDULE V TO THE ACT

#### I. GENERAL INFORMATION

1	Nature of industry	The Company is engaged in the business of developing, manufacturing, marketing and selling (domestic and export) of yarns, recycled polyester staple fibre and home textile products.			
2	Date of commencement of commercial production	The Company carries on textile business since its incorporation.			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.			
4	Financial Performance on key indicators	(Rs. in crore)			
		<b>Standalone</b>		<b>Consolidated</b>	
	<b>Particulars</b>	<b>Year ended 31st March, 2026</b>	<b>Year ended 31st March, 2025</b>	<b>Year ended 31st March, 2026</b>	<b>Year ended 31st March, 2025</b>
	Total Income	2,584.64	2,664.97	2,593.93	2,698.53
	EBITDA	85.15	68.18	71.26	64.63
	Less: Depreciation	107.86	109.80	109.51	111.21
	EBIT	-22.71	-41.62	-38.25	-46.58
	Less: Finance Cost	65.79	61.48	66.07	63.42
	Profit before exceptional items and tax	-88.51	-103.10	-104.32	-110.00
	Less: Exceptional items	22.51	22.70	13.16	-
	Profit Before Tax	-111.02	-125.80	-117.48	-110.00
	Less: Tax	-31.17	-41.60	-31.17	-41.60
	Profit after Tax	-79.85	-84.20	-86.31	-68.40
5	Foreign investments or collaborations, if any	As at 31 <sup>st</sup> March, 2026, the foreign holdings in the Company was at 1.52%. The Company does not have any foreign collaborations.			

#### II. INFORMATION ABOUT DIRECTOR

Sr. No.	Particulars	Mr. Alok Ohrie
1	Background details	The background details and profile of Mr. Alok Ohrie are given in "Annexure pursuant to Regulation 36 of Listing Regulations" to this Notice.
2	Past Remuneration	N.A.
3	Recognition or awards	<ul style="list-style-type: none"> <li>• Mr. Alok Ohrie received the 'Outstanding Contribution to IT Industry' award in 2013.</li> <li>• He was named Indian Affairs 'Most Innovative CEO of the Year' in 2019.</li> <li>• Mr. Ohrie was honoured with the "Distinguished Alumnus Award" by the National Institute of Technology Karnataka (NITK) in 2020.</li> <li>• In 2024, he was felicitated with the Best CEO award by the Learning and Organisation Development Roundtable (LNOD Roundtable) in association with the Women Leadership Forum of Asia (WLFA) for championing Diversity and Inclusion practices.</li> </ul>

Sr. No.	Particulars	Mr. Alok Ohrie
4	Job Profile and his suitability	Mr. Alok Ohrie holds a Bachelor of Engineering in Electronics & Communication from the National Institute of Technology, Karnataka. He is a seasoned industry leader with over three and a half decades of experience in the IT and IT-enabled services sector. His expertise spans crafting growth strategies, driving operational excellence and leading strategic planning and execution. He brings with him extensive management and leadership experience, along with strong functional and managerial experience.
5	Remuneration Proposed	Mr. Ohrie will be entitled to commission as applicable to all non-executive directors, as per the limits prescribed under the Act, computed in accordance with the provisions of Section 198 of the Act, subject to minimum commission of Rs. 10,00,000/- per Non-Executive Director in case of no profits or inadequacy of profits in any financial year, in excess of the limits prescribed under the Act.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance, the proposed remuneration is in line with the current remuneration structure of the industry.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Alok Ohrie is not holding any shares of the Company. There is no other pecuniary relationship with the Company or managerial personnel.

### III. OTHER INFORMATION

#### 1. Reasons of loss or inadequate profits and steps taken or proposed to be taken for improvement:

The Company has been a consistent profit making Company since its inception. However, the global textile sector (in particular spinning) passed through a challenging year during the review period. Having steered through one of the textile industry's longest down cycles, extending across 18 months, the Company is now positioned for the anticipated recovery in demand and margins.

The Company has taken effective steps for improving its margins which include strategically segregating its portfolio and has broad-based its product mix across applications that extend from the apparel to the non-apparel (industrial and home textiles). This will moderate excessive dependence on textile applications. The Company has also accelerated the development of yarn products. This will open new markets for its products among large and responsible customers seeking to enhance their products.

#### 2. Steps taken or proposed to be taken for improvement:

For decades, the Company has meticulously sharpened its strategy to build on its core competence. We are one of India's leading textile company with consumer-facing businesses across India and the world.

Our value enablers comprise our growing scale of business, reliable supply chain, rationalized cost structure, intelligent synergies, smart R&D and technology acumen; and above all commitment to always remain ahead in the compliance marathon.

#### 3. Expected increase in productivity and profits in measurable terms:

The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies for growth. The Company expects the textile sector to improve in the medium term which will lead to increase in demand and firming up of margins thereby helping the Company to retain margins, as the current state of the textile industry and spinning sector in particular is due to subdued demand in the international markets which has put pressure on the domestic markets affecting margins.

### IV. DISCLOSURES:

The disclosures as required on elements of remuneration package, etc. have been made under "Report of Corporate Governance" forming part of the Annual Report for 2025 - 26.