YARN SYNDICATE LIMITED

CIN: L51109GJ1946PLC153972
Registered Office & Corporate office: 188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad, Daskroi, Gujarat, India, 382 405
E-mail: ysl@yarnsyndicate.in **Contact No:** +91 78628 68215

Date: 31st July, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

Dear Sir / Madam,

Sub: Submission of Annual Report for the Financial Year 2025-26

Ref: Security Id: YARNSYN / Code: 514378

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the 80th Annual General Meeting ("AGM") of the Company to be held on Monday, 24th August, 2026 at 3:00 P.M. through Video Conferencing ("VC") / Other Audio-Video Means ("OAVM").

Kindly take the same on your record and oblige us.

Thanking You.

For, Yarn Syndicate Limited

AGRAWAL TARACHANDBHAI
Digitally signed by AGRAWAL TARACHANDBHAI
Date: 2026.07.31 17:14:08 +05'30'

Tarachand Gangasahay Agrawal
Director
DIN: 00465635

YARN SYNDICATE LIMITED

80TH ANNUAL REPORT
2025-26

INDEX

Company Information

Board of Directors	Mr. Ravi Niranjan Pandya	Managing Director
	Mr. Tarachandbhai Agrawal	Non-Executive Non-Independent Director
	Mr. Mithlesh Agrawal	Non-Executive Non-Independent Director
	Mr. Burhanuddin Hakimuddin Lokhandwala	Non-Executive Independent Director
	Ms. Nidhi Bansal	Non-Executive Independent Director
Audit Committee	Ms. Nidhi Bansal	Chairperson
	Mr. Ravi Niranjan Pandya	Member
	Mr. Burhanuddin Hakimuddin Lokhandwala	Member
Nomination and Remuneration Committee	Ms. Nidhi Bansal	Chairperson
	Mr. Tarachandbhai Agrawal	Member
	Mr. Burhanuddin Hakimuddin Lokhandwala	Member
Stakeholder Relationship Committee	Mr. Tarachandbhai Agrawal	Chairperson
	Mr. Nidhi Bansal	Member
	Ms. Ravi Niranjan Pandya	Member
Key Managerial Personnel	Mr. Ravi Niranjan Pandya	Managing Director
	Mr. Dharmesh Vimalkumar Tripathi	Chief Financial Officer
Statutory Auditor	M/s. S S R V & Associates., Chartered Accountants, Mumbai	
Secretarial Auditor	M/s. Jay Pandya & Associates, Company Secretaries, Ahmedabad	
Share Transfer Agent	Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai – 600 002	
Registered Office	188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad, Daskroi, Gujarat, India, 382405	
Website	www.yarnsyndicate.in	

NOTICE OF THE 80TH ANNUAL GENERAL MEETING ("AGM")

Notice is hereby given that the 80th Annual General Meeting ("AGM") of the Shareholders of **Yarn Syndicate Limited** will be held on Monday, 24th August, 2026 at 3:00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses.

ORDINARY BUSINESS:

1. **To Receive, Consider and Adopt:**

   a. The Audited Standalone Financial Statement of the Company for the financial year ended on 31st March, 2026 together with and Statement of Profit and Loss together with the notes forming part thereof along with Cash Flow Statement for the financial year ended on that date, and the Reports of the Board of Directors ("The Board") and the Auditors thereon.

   b. The Audited Consolidated Financial Statement of the Company for the financial year ended on 31st March, 2026 and Statement of Profit and Loss Account together with the notes forming part thereof and Cash Flow Statement for the Financial Year ended on that date.

2. **To appoint Mr. Mithleshkumar Agrawal (DIN: 03468643), who retires by rotation and being eligible, offers himself for re-appointment.**

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

"RESOLVED THAT, Mr. Mithleshkumar Agrawal (DIN: 03468643), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

SPECIAL BUSINESS:

3. **Regularization of Appointment of Mr. Burhanuddin Hakimuddin Lokhandwala (DIN: 11705597) Director as a Non-Executive & Independent Director of the Company:**

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

"RESOLVED THAT, pursuant to the provisions of Sections 149, 150 and 152 read with all other applicable provisions of the Companies Act, 2013, ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) of the Act and Listing Regulations, and in terms of Articles of Association of the Company, Mr. Burhanuddin Hakimuddin Lokhandwala (DIN: 11705597), who was appointed as an Additional Non-Executive and Independent Director of the Company in the Board meeting dated 25th May, 2026 in terms of Section 161 of the Act and whose term of office expires as on this General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from 25th May, 2026 to 24th May, 2031.

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

4. **Appointment of M/s. Jitendra Parmar & Associates, Practicing Company Secretaries, Ahmedabad (FRN: S2023GJ903900) as the Secretarial Auditor of the Company for a Period of Five (5) Years:**

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

"RESOLVED THAT, pursuant to the provisions of Regulation 24A and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), Section 204 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, and based on the recommendation of the Audit Committee and the Board of Directors of the Company (hereinafter referred to as the 'Board'), M/s. Jitendra Parmar & Associates, Practicing Company Secretaries, Ahmedabad (FRN: S2023GJ903900, Peer Review Certificate No. 3523/2023) (Membership No.: FCS – 11336) be and are hereby appointed as the Secretarial Auditor of the Company for an Audit period of five consecutive years commencing from F.Y. 2026-27 until F.Y. 2030-31, on such remuneration as may be mutually agreed upon between the Board and the Secretarial Auditor.

"RESOLVED FURTHER THAT, the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.**"**

5. **To Approve Material Related Party Transactions with M/s. Stitched Textile Limited.**

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

"RESOLVED THAT, in supersession of earlier resolutions passed by the Company, if any, pursuant to Section 188 of the Companies Act, 2013 read with the rules made thereunder, including any statutory modification(s) or re-enactment thereof ("the Act"), Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the "Listing Regulations") as amended from time to time, the Related Party Transactions policy of the Company, the approval of the Audit Committee, and based on recommendations of the Board; the approval of the Shareholders of the Company be and is hereby given to the Company to enter into the transactions (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with respect to:

a) Sale, purchase or supply of any goods or materials;
b) Selling or otherwise disposing of, or buying, property of any kind;
c) Leasing of property of any kind;
d) Availing or rendering of any services;
e) Appointment of any agent for purchase or sale of goods, materials, services or property and
f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
g) Underwriting the subscription of any securities or derivatives thereof, of the company

with M/s. Stitched Textile Limited, a Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for an aggregate amount upto Rs. 10/- Crore (Rupees Ten Crore)."

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is 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 and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. To Approve Material Related Party Transactions with M/s. Brand Cluster LLP.

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

"RESOLVED THAT, in supersession of earlier resolutions passed by the Company, if any, pursuant to Section 188 of the Companies Act, 2013 read with the rules made thereunder, including any statutory modification(s) or re-enactment thereof ("the Act"), Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the "Listing Regulations") as amended from time to time, the Related Party Transactions policy of the Company, the approval of the Audit Committee, and based on recommendations of the Board; the approval of the Shareholders of the Company be and is hereby given to the Company to enter into the transactions (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with respect to:

a) Sale, purchase or supply of any goods or materials;
b) Selling or otherwise disposing of, or buying, property of any kind;
c) Leasing of property of any kind;
d) Availing or rendering of any services;
e) Appointment of any agent for purchase or sale of goods, materials, services or property and
f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
g) Underwriting the subscription of any securities or derivatives thereof, of the company

with M/s. Brand Cluster LLP, a Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for an aggregate amount upto Rs. 10/- Crore (Rupees Ten Crore)."

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is 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 and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. To Approve Material Related Party Transactions with M/s. Vax Enterprise Private Limited.

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

"RESOLVED THAT, in supersession of earlier resolutions passed by the Company, if any, pursuant to Section 188 of the Companies Act, 2013 read with the rules made thereunder, including any statutory modification(s) or re-enactment thereof ("the Act"), as amended from time to time, the Related Party Transactions policy of the Company, the approval of the Audit Committee, and based on recommendations of the Board; the approval of the Shareholders of the Company be and is hereby given to the Company to enter into the transactions (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with respect to:

a) Sale, purchase or supply of any goods or materials;
b) Selling or otherwise disposing of, or buying, property of any kind;
c) Leasing of property of any kind;
d) Availing or rendering of any services;
e) Appointment of any agent for purchase or sale of goods, materials, services or property and
f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
g) Underwriting the subscription of any securities or derivatives thereof, of the company

with M/s. Vax Enterprise Private Limited, a Related Party under Section 2(76) of the Act, for an aggregate amount upto Rs. 10/- Crore (Rupees Ten Crore)."

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is 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 and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

8. To Approve Material Related Party Transactions with M/s. Varvee Global Limited.

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

"RESOLVED THAT, in supersession of earlier resolutions passed by the Company, if any, pursuant to Section 188 of the Companies Act, 2013 read with the rules made thereunder, including any statutory modification(s) or re-enactment thereof ("the Act"), as amended from time to time, the Related Party Transactions policy of the Company, the approval of the Audit Committee, and based on recommendations of the Board; the approval of the Shareholders of the Company be and is hereby given to the Company to enter into the transactions (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) with respect to:

a) Sale, purchase or supply of any goods or materials;
b) Selling or otherwise disposing of, or buying, property of any kind;
c) Leasing of property of any kind;
d) Availing or rendering of any services;
e) Appointment of any agent for purchase or sale of goods, materials, services or property and
f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
g) Underwriting the subscription of any securities or derivatives thereof, of the company

with M/s. Varvee Global Limited, a Related Party under Section 2(76) of the Act, for an aggregate amount upto Rs. 50/- Crore (Rupees Fifty Crore)."

"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is 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 and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

Registered Office:
188/2, Ranipur Village, Opp. CNI Church,
Narol, Narol, Ahmedabad,
Daskroi, Gujarat, India, 382405

By the Order of the Board of,
Yarn Syndicate Limited

Sd/-
Ravi Pandya
Managing Director
DIN: 09509086

Place: Ahmedabad
Date: 31st July, 2026

NOTES:

1. The relevant statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ('Act') read with Section 110 of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014 ('Rules'), each as amended, setting out the material facts relating to the aforesaid Resolutions and the reasons thereof is annexed hereto and forms part of this Notice.

2. In compliance with General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular issued by SEBI vide Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 ("SEBI Circular"), other applicable circulars and notifications issued (including any statutory modifications or reenactment thereof) for the time being in force and as amended from time to time and the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 80th Annual General Meeting ("AGM") of the Company is being held through VC/OAVM without the physical presence of Members at a common venue. The deemed venue for the 80th AGM will be the Registered Office of the Company 188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad, Daskroi, Gujarat, India, 382405.

3. This AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice**. Members have to attend and participate in the ensuing AGM though VC/OAVM. However, the Body Corporates are entitled to appoint Authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

4. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to Email at ysl@yarnsyndicate.in and / or at info@accuratesecurities.com, a certified copy of the Board Resolution / authorization letter authorizing their representative to attend and vote on their behalf at AGM through E-voting.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and Company Website i.e. www.yarnsyndicate.in respectively and the AGM Notice is also available on the website of NSDL agency for providing the Remote e-Voting facility i.e. www.evoting.nsdl.com.

9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

10. The Board of Directors has appointed Mr. Jitendra Parmar proprietor of M/s. Jitendra Parmar & Associates, (Membership No: 11336 ACS, CP No: 15863), Ahmedabad, Practicing Company Secretary, as the Scrutinizer to scrutinize the remote voting and e-voting process in fair and transparent manner.

11. The Scrutinizer will submit his consolidated report to the Chairman, or any other person authorised by him, after completion of scrutiny of the votes cast, and the result of the voting will be announced by the Chairman or any other person authorized by him. The Scrutinizer's decision on the validity of votes cast will be final.

12. The Results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange, where the equity shares of the Company are listed viz. BSE Limited and be made available on its website viz. www.bseindia.com.

13. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

    In compliance with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2025-26 will be available on website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com, Company Website i.e. www.yarnsyndicate.in and on the website of NSDL at https://www.evoting.nsdl.com/. **Annual Report will not be sent in physical form.**

14. Members of the Company holding shares, either in physical form or in Dematerialized form, as on 24th July, 2026 will receive Annual Report for the financial year 2025-26 through electronic mode only.

15. The Register of Members and Share Transfer Books will remain closed from 17th August, 2026 to 24th August, 2026 (both days inclusive) for the purpose of Annual General Meeting (AGM).

16. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA) at its following address: Cameo Corporate Services Limited, Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu – 600 002. Email id: cameo@cameoindia.com.

17. In terms of the provisions of Section 152 of the Act, Mr. Mithleshkumar Agrawal (DIN: 03468643), Director of the Company, who retires by rotation at this Annual General Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company re-commend his re-appointment.

    Mr. Mithleshkumar Agrawal is interested in the Ordinary Resolutions set out at Item No. 2, of the Notice with regard to his re-appointment. The other relatives of Mr. Mithleshkumar Agrawal being shareholders of the Company may be deemed to be interested in the resolutions set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

    Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/RTA.

19. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic/ demat form, the nomination form may be filed with the respective Depository Participant.

20. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred/traded only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated

with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialize.

21. Members are requested to quote their Folio No. or DP ID/Client ID, in case shares are in physical/dematerialized form, as the case may be, in all correspondence with the Company/ Registrar and Share Transfer Agent.

22. Details of Directors retiring by rotation/seeking appointment/re-appointment at this Meeting are provided in the "Annexure" to the Notice as per Regulation 26(4) and 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India.

23. As the AGM is to be held through VC/OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on ysl@yarnsyndicate.in and/or at info@accuratesecurities.com. The same will be replied/made available by the Company suitably.

24. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.

25. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

26. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

27. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.

28. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

29. The Company has set 17th August, 2026 as the "Cut-off Date" for taking record of the shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing 80th Annual General Meeting', for both E- Voting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER :-

The remote e-voting period begins on Friday, 21st August, 2026 at 9:00 A.M. and ends on Sunday, 23rd August, 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Friday, 21st August, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 17th August, 2026.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-**Voting **service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. 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 & voting during the meeting.

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

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022 – 2305 8542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

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

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

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address 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.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and who's voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

<u>General Guidelines for shareholders</u>

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csjitendraparmar@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in and 1800 22 44 30 or send a request at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to ysl@yarnsyndicate.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (ysl@yarnsyndicate.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the 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 General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ysl@yarnsyndicate.in. The same will be replied by the company suitably.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3:

Pursuant to provisions of Section 161 of the Companies Act, 2013 and pursuant to the Articles of Association of the Company, the Board of Directors of the Company has appointed Mr. Burhanuddin Hakimuddin Lokhandwala as an Additional Non-Executive and Independent Director of the Company with effect from Monday, 25th May, 2026.

The Company has received a declaration from Mr. Burhanuddin Hakimuddin Lokhandwala (DIN: 11705597) that he meets with criteria of independence as prescribed under Section 149 of the Companies Act, 2013. Mr. Burhanuddin Hakimuddin Lokhandwala having 3 years of experience in accounting, financial analysis, and corporate governance. He is Currently enhancing expertise through advanced professional qualifications, demonstrating a commitment to continuous learning and professional excellence. He will Bring analytical thinking, integrity, and a keen interest in contributing effectively as an Independent Director. Brief resume of Mr. Burhanuddin Hakimuddin Lokhandwala and nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairperson of the Board / Committees and shareholding are provided in the annexure to the explanatory statement attached herewith.

In the opinion of the Board, Mr. Burhanuddin Hakimuddin Lokhandwala fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Burhanuddin Hakimuddin Lokhandwala as an Independent Director.

Save and except Mr. Burhanuddin Hakimuddin Lokhandwala and his relatives to the extent their shareholding in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Third Amendment Regulations dated December 12, 2024 and Regulation 24A (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed entity shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary. The Company may appoint an individual as Secretarial Auditor for not more than one term of five consecutive years or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years.

It is proposed to appoint M/s. Jitendra Parmar & Associates, Practicing Company Secretary, as Secretarial Auditor of the Company for an Audit period of five consecutive years commencing from 2026-27 till 2030-31, at a remuneration as may be mutually agreed upon, between the Board of Directors of the Company and the Secretarial Auditor. The firm has confirmed its eligibility and provided the necessary documents, including the consent letter, peer review certificate, and eligibility confirmation.

The Board and the Audit Committee, while considering the appointment of M/s. Jitendra Parmar & Associates as Secretarial Auditor of the Company, evaluated the firm's credentials, expertise to manage secretarial audits in the sector that the Company operates, its professional standing, technical competence, and the diversity of its client portfolio. Based on this assessment, M/s. Jitendra Parmar & Associates was found to be well-qualified to conduct the Secretarial Audit for the Company.

Item No. 5:

Pursuant to the amended Regulation 23 of the SEBI Listing Regulation, effective from 18th November, 2025, where the annual consolidated turnover upto Rs. 20,000 crore, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year exceed(s) 10% (ten percent) of the annual consolidated turnover as per the last audited financial statements of the listed entity, and such material related party transactions exceeding the limits, would require prior approval of Shareholders by means of an Ordinary Resolution.

During the Financial Year 2025-26, the Company recorded a consolidated turnover of Rs. 55.56 Crore. In accordance with the criteria as provided in the Regulation 23 of the Listing Regulations, any transaction or series of transactions with a related party shall be considered material if the aggregate value exceeds 10% of the annual consolidated turnover i.e., Rs. 5.56 Crore in this case.

Based on these criteria, the Management anticipates that the aggregate value of transactions with M/s. Stitched Textile Limited during the FY 2026–27 may exceed the aforementioned threshold. Accordingly, it is proposed to seek the approval of the Shareholders for entering into material related party transactions with M/s. Stitched Textile Limited.

The Company undertakes Related Party Transactions as part of a well-considered strategic approach aimed at leveraging the specialized expertise and capabilities of entities within the group. These transactions facilitate seamless access to essential resources, services, and knowledge, thereby enhancing operational efficiency and ensuring alignment with the Company's broader business objectives. All such transactions are conducted in a transparent manner and in compliance with applicable regulatory frameworks to uphold the highest standards of corporate governance.

The Company seeks approval of the Shareholders for entering into the transactions of i) Sale, purchase or supply of any goods or materials and ii) Selling or otherwise disposing of, or buying, property of any kind iii) Leasing of property of any kind; iv) Availing or rendering the services v) Appointment of any agent for purchase or sale of goods, materials, services or property, vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company vii) underwriting the subscription of any securities or derivatives thereof, of the company its subsidiary company or associate company with M/s. Stitched Textile Limited for an amount not exceeding Rs. 10.00/- Crore (Rupees Ten Crore).

The consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 5 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the Shareholders of the Company as an Ordinary Resolution.

Information required to be disclosed in the Explanatory Statement for Item No. 5 pursuant to the SEBI Circular SEBI/ HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January, 2026 & RPT Industry Standards dated June 26, 2025, are as follows as per, are as follows as per ***Annexure B(i).***

Item No. 6:

Pursuant to the amended Regulation 23 of the SEBI Listing Regulation, effective from 18th November, 2025, where the annual consolidated turnover upto Rs. 20,000 crore, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year exceed(s) 10% (ten percent) of the annual consolidated turnover as per the last audited financial statements of the listed entity, and such material related party transactions exceeding the limits, would require prior approval of Shareholders by means of an Ordinary Resolution.

During the Financial Year 2025-26, the Company recorded a consolidated turnover of Rs. 55.56 Crore. In accordance with the criteria as provided in the Regulation 23 of the Listing Regulations, any transaction or series of transactions with a related party shall be considered material if the aggregate value exceeds 10% of the annual consolidated turnover i.e., Rs. 5.56 Crore in this case.

Based on these criteria, the Management anticipates that the aggregate value of transactions with M/s. Brand Cluster LLP during the FY 2026–27 may exceed the aforementioned threshold. Accordingly, it is proposed to seek the approval of the Shareholders for entering into material related party transactions with M/s. Brand Cluster LLP.

The Company undertakes Related Party Transactions as part of a well-considered strategic approach aimed at leveraging the specialized expertise and capabilities of entities within the group. These transactions facilitate seamless access to essential resources, services, and knowledge, thereby enhancing operational efficiency and ensuring alignment with the Company's broader business objectives. All such transactions are conducted in a transparent manner and in compliance with applicable regulatory frameworks to uphold the highest standards of corporate governance.

The Company seeks approval of the Shareholders for entering into the transactions of i) Sale, purchase or supply of any goods or materials and ii) Selling or otherwise disposing of, or buying, property of any kind iii) Leasing of property of any kind; iv) Availing or rendering the services; v) Appointment of any agent for purchase or sale of goods, materials, services or property; vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company vii) underwriting the subscription of any securities or derivatives thereof, of the company its subsidiary company or associate company with M/s. Brand Cluster LLP for an amount not exceeding Rs. 10.00/- Crore (Rupees Ten Crore).

The consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 6 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the Shareholders of the Company as an Ordinary Resolution.

Information required to be disclosed in the Explanatory Statement for Item No. 6 pursuant to the SEBI Circular SEBI/ HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January, 2026 & RPT Industry Standards dated June 26, 2025, are as follows as per, are as follows as per ***Annexure B(ii).***

Item No. 7:

Pursuant to the amended Regulation 23 of the SEBI Listing Regulation, effective from 18th November, 2025, where the annual consolidated turnover upto Rs. 20,000 crore, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year exceed(s) 10% (ten percent) of the annual consolidated turnover as per the last audited financial statements of the listed entity, and such material related party transactions exceeding the limits, would require prior approval of Shareholders by means of an Ordinary Resolution.

During the Financial Year 2025-26, the Company recorded a consolidated turnover of Rs. 55.56 Crore. In accordance with the criteria as provided in the Regulation 23 of the Listing Regulations, any transaction or series of transactions with a related party shall be considered material if the aggregate value exceeds 10% of the annual consolidated turnover i.e., Rs. 5.56 Crore in this case.

Based on these criteria, the Management anticipates that the aggregate value of transactions with M/s. Vax Enterprise Private Limited during the FY 2026–27 may exceed the aforementioned threshold. Accordingly, it is proposed to seek the approval of the Shareholders for entering into material related party transactions with M/s. Vax Enterprise Private Limited.

The Company undertakes Related Party Transactions as part of a well-considered strategic approach aimed at leveraging the specialized expertise and capabilities of entities within the group. These transactions facilitate seamless access to essential resources, services, and knowledge, thereby enhancing operational efficiency and ensuring alignment with the Company's broader business objectives. All such transactions are conducted in a transparent manner and in compliance with applicable regulatory frameworks to uphold the highest standards of corporate governance.

The Company seeks approval of the Shareholders for entering into the transactions of i) Sale, purchase or supply of any goods or materials and ii) Selling or otherwise disposing of, or buying, property of any kind iii) Leasing of property of any kind; iv) Availing or rendering the services v) Appointment of any agent for purchase or sale of goods, materials, services or property, vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company vii) underwriting the subscription of any securities or derivatives thereof, of the company its subsidiary company or associate company with M/s. Vax Enterprise Private Limited for an amount not exceeding Rs. 10.00/- Crore (Rupees Ten Crore).

The consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 7 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the Shareholders of the Company as an Ordinary Resolution.

Information required to be disclosed in the Explanatory Statement for Item No. 7 pursuant to the SEBI Circular SEBI/ HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January, 2026 & RPT Industry Standards dated June 26, 2025, are as follows as per, are as follows as per ***Annexure B(iii).***

Item No. 8:

Pursuant to the amended Regulation 23 of the SEBI Listing Regulation, effective from 18th November, 2025, where the annual consolidated turnover upto Rs. 20,000 crore, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year exceed(s) 10% (ten percent) of the annual consolidated turnover as per the last audited financial statements of the listed entity, and such material related party transactions exceeding the limits, would require prior approval of Shareholders by means of an Ordinary Resolution.

During the Financial Year 2025-26, the Company recorded a consolidated turnover of Rs. 55.56 Crore. In accordance with the criteria as provided in the Regulation 23 of the Listing Regulations, any transaction or series of transactions with a related party shall be considered material if the aggregate value exceeds 10% of the annual consolidated turnover i.e., Rs. 5.56 Crore in this case.

Based on these criteria, the Management anticipates that the aggregate value of transactions with M/s. Varvee Global Limited during the FY 2026–27 may exceed the aforementioned threshold. Accordingly, it is proposed to seek the approval of the Shareholders for entering into material related party transactions with M/s. Varvee Global Limited.

The Company undertakes Related Party Transactions as part of a well-considered strategic approach aimed at leveraging the specialized expertise and capabilities of entities within the group. These transactions facilitate seamless access to essential resources, services, and knowledge, thereby enhancing operational efficiency and ensuring alignment with the Company's broader business objectives. All such transactions are conducted in a transparent manner and in compliance with applicable regulatory frameworks to uphold the highest standards of corporate governance.

The Company seeks approval of the Shareholders for entering into the transactions of i) Sale, purchase or supply of any goods or materials and ii) Selling or otherwise disposing of, or buying, property of any kind iii) Leasing of property of any kind; iv) Availing or rendering the services v) Appointment of any agent for purchase or sale of goods, materials, services or property, vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company vii) underwriting the subscription of any securities or derivatives thereof, of the company its subsidiary company or associate company with M/s. Varvee Global Limited for an amount not exceeding Rs. 50.00/- Crore (Rupees Fifty Crore).

The consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 8 of this Notice, in relation to the details as stated above and thus the Board of Directors recommends the said Resolution for the approval of the Shareholders of the Company as an Ordinary Resolution.

Information required to be disclosed in the Explanatory Statement for Item No. 8 pursuant to the SEBI Circular SEBI/ HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January, 2026 & RPT Industry Standards dated June 26, 2025, are as follows as per, are as follows as per ***Annexure B(iv).***

Registered Office:
188/2, Ranipur Village, Opp. CNI Church, Narol, Narol, Ahmedabad, Daskroi, Gujarat, India – 382 405

By the Order of the Board of,
Yarn Syndicate Limited

Place: Ahmedabad
Date: 31st July, 2026

Sd/-
Ravi Pandya
Managing Director
DIN: 09509086

ANNEXURE TO NOTICE

ANNEXURE - A

Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of directors seeking appointment / reappointment as director under Resolution Nos. 2 and 3 is as under:

Name of the Director	**Mr. Mithleshkumar Agrawal (DIN: 03468643)**	**Mr. Burhanuddin Hakimuddin Lokhandwala (DIN: 11705597)**
Date of Birth	25/01/1963	02/06/2001
Date of first Appointment on the Board	11/03/2025	25/05/2026
Qualifications	Mr. Mithlesh Kumar Agrawal has passed secondary examination from Rajasthan Board.	Mr. Burhanuddin Hakimuddin Lokhandwala has passed B.COM, M.COM and also pursuing MBA along with Certified Public Accountant.
Experience/Brief Resume/Nature of expertise in specific functional areas	Mr. Mithlesh Kumar Agraval has an experience of more than 10 years in textile industry.	Mr. Burhanuddin Hakimuddin Lokhandwala has 3 years of experience in accounting, financial analysis, and corporate governance. He is Currently enhancing expertise through advanced professional qualifications, demonstrating a commitment to continuous learning and professional excellence. He will Bring analytical thinking, integrity, and a keen interest in contributing effectively as an Independent Director.
Terms and Conditions of Appointment along with remuneration sought to be paid	N.A.	N.A.
Remuneration last drawn by such person, if any	Nil	N.A.
No. of Shares held in the Company as on 31st March, 2026	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company/ Disclosure of relationships between directors inter-se	N.A.	N.A.
Number of Meetings of the Board attended during the year	9	N.A.
Directorship / Designated Partner in other Companies / LLPs	1. Vax Enterprise Private Limited	Nil
Chairman/Member of the Committees of Board of other Companies/ Names of listed entities in which the person also holds the directorship and the membership of the Committees of the board	Nil	Nil

ANNEXURE B

Relevant details as stipulated under SEBI Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 & RPT Industry Standards dated June 26, 2025:

(i) To approve material related party transactions with M/s. Stitched Textile Limited:

Sr. No	Description	Particulars
1	Name of the related party	M/s. Stitched Textile Limited
2	Nature of relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Entity in which Director/Promoter/KPM/Relative of KMP having significant influence
3	Type of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company • Underwriting the subscription of any securities or derivatives thereof, of the company
4	Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement	One Year i.e. from 01-04-2026 to 31-03-2027
5	Particulars of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company • Underwriting the subscription of any securities or derivatives thereof, of the company
6	Value of the proposed transaction (INR)	Rs. 10 Crore
7	Name of the director or key managerial personnel who is related, if any and nature of relationship	M/s. Stitched Textile Limited is an Associate Company.
8	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction. (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	17.99%
Following additional disclosures to be made in case of loans, inter - corporate deposits, advances or investments made or given		
9	(i) details of the source of funds in connection with the proposed transaction,	Internal accruals and proposed fund raise by the Company, wherever applicable

	(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness. • cost of funds; and • tenure.	-
	(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security and	-
	(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	-
10	Justification as to why the RPT is in the interest of the listed entity.	The Company works closely with these entities to meet its business objectives. The Company has a range of transactions with these entities, including purchase and sale of goods and services in the ordinary course of business. The aforementioned transactions will not only help both the companies to smoothen business operations but will also ensure a consistent flow of desired quality and quantity of various facilities for uninterrupted operations and an increase in productivity. This in turn will contribute towards Company synergy and sustainability.
11	A copy of the valuation or other external party report, if any such report has been relied upon.	-
12	Percentage of the counter - party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	-
13	Any other information that may be relevant.	All relevant / important information forms a part of this Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 and SEBI Listing Regulations.

(ii) To approve material related party transactions with M/s. Brand Cluster LLP:

Sr. No	Description	Particulars
1	Name of the related party	M/s. Brand Cluster LLP
2	Nature of relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Entity in which Director/Designated Partner Promoter/KPM/Relative of KMP having significant influence
3	Type of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company

		• Underwriting the subscription of any securities or derivatives thereof, of the company
4	Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement	One Year i.e. from 01-04-2026 to 31-03-2027
5	Particulars of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company • Underwriting the subscription of any securities or derivatives thereof, of the company
6	Value of the proposed transaction (INR)	Rs. 10 Crore
7	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Tarachand Agrawal, Director is Designated Partner in M/s. Brand Cluster LLP
8	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction. (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	17.99%
Following additional disclosures to be made in case of loans, inter - corporate deposits, advances or investments made or given		
9	(i) details of the source of funds in connection with the proposed transaction,	Internal accruals and proposed fund raise by the Company, wherever applicable
	(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness. • cost of funds; and • tenure.	-
	(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security and	-
	(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	-
10	Justification as to why the RPT is in the interest of the listed entity.	The Company works closely with these entities to meet its business objectives. The Company has a range of transactions with these entities, including purchase and sale of goods and services in the ordinary course of business. The aforementioned transactions will not only help both the companies to smoothen business operations but will also ensure a consistent flow of desired quality and quantity of various facilities for uninterrupted

		operations and an increase in productivity. This in turn will contribute towards Company synergy and sustainability.
11	A copy of the valuation or other external party report, if any such report has been relied upon.	-
12	Percentage of the counter - party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	-
13	Any other information that may be relevant.	All relevant / important information forms a part of this Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 and SEBI Listing Regulations

(iii) To approve material related party transactions with M/s. Vax Enterprise Private Limited.

Sr. No.	Description	Particulars
1	Name of the related party	M/s. Vax Enterprise Private Limited
2	Nature of relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Entity in which Director/Designated Partner Promoter/KPM/Relative of KMP having significant influence
3	Type of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company • Underwriting the subscription of any securities or derivatives thereof, of the company
4	Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement	One Year i.e. from 01-04-2026 to 31-03-2027
5	Particulars of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company • Underwriting the subscription of any securities or derivatives thereof, of the company
6	Value of the proposed transaction (INR)	Rs. 10 Crore
7	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Mithleshkumar Agrawal is Director in M/s. Vax Enterprise Private Limited.

8	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction. (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	17.99%
Following additional disclosures to be made in case of loans, inter - corporate deposits, advances or investments made or given		
9	(i) details of the source of funds in connection with the proposed transaction,	Internal accruals and proposed fund raise by the Company, wherever applicable.
	(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness. • cost of funds; and • tenure.	-
	(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security and	-
	(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	-
10	Justification as to why the RPT is in the interest of the listed entity.	The Company works closely with these entities to meet its business objectives. The Company has a range of transactions with these entities, including purchase and sale of goods and services in the ordinary course of business. The aforementioned transactions will not only help both the companies to smoothen business operations but will also ensure a consistent flow of desired quality and quantity of various facilities for uninterrupted operations and an increase in productivity. This in turn will contribute towards Company synergy and sustainability.
11	A copy of the valuation or other external party report, if any such report has been relied upon.	-
12	Percentage of the counter - party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	-
13	Any other information that may be relevant.	All relevant / important information forms a part of this Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 and SEBI Listing Regulations.

(iv) To approve material related party transactions with M/s. Varvee Global Limited.

Sr. No.	Description	Particulars
1	Name of the related party	M/s. Varvee Global Limited
2	Nature of relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Entity in which Director/Designated Partner Promoter/KPM/Relative of KMP having significant influence
3	Type of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company • Underwriting the subscription of any securities or derivatives thereof, of the company
4	Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement	One Year i.e. from 01-04-2026 to 31-03-2027
5	Particulars of the proposed transaction	• Sale, purchase or supply of any goods or materials • Selling or otherwise disposing of, or buying, property of any kind • Leasing of property of any kind • Availing or rendering the services • Appointment of any agent for purchase or sale of goods, materials, services or property • Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company • Underwriting the subscription of any securities or derivatives thereof, of the company
6	Value of the proposed transaction (INR)	Rs. 50 Crore
7	Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Tarachand Agrawal is, Promoter and Whole-Time Director in M/s. Varvee Global Limited.
8	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction. (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	89.99%
Following additional disclosures to be made in case of loans, inter - corporate deposits, advances or investments made or given		
9	(i) details of the source of funds in connection with the proposed transaction,	Internal accruals and proposed fund raise by the Company, wherever applicable.
	(ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness.	-

	• cost of funds; and • tenure.	
	(iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security and	-
	(iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	-
10	Justification as to why the RPT is in the interest of the listed entity.	The Company works closely with these entities to meet its business objectives. The Company has a range of transactions with these entities, including purchase and sale of goods and services in the ordinary course of business. The aforementioned transactions will not only help both the companies to smoothen business operations but will also ensure a consistent flow of desired quality and quantity of various facilities for uninterrupted operations and an increase in productivity. This in turn will contribute towards Company synergy and sustainability.
11	A copy of the valuation or other external party report, if any such report has been relied upon.	-
12	Percentage of the counter - party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	-
13	Any other information that may be relevant.	All relevant / important information forms a part of this Explanatory Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 and SEBI Listing Regulation.

DIRECTOR'S REPORT

To,
The Members,
Yarn Syndicate Limited

Your Directors hereby present the 80th Director's Report on the Business and Operations of the Company together with the Audited Financial Statements along with the Auditor's Report for the Financial Year ended on 31st March, 2026.

1. FINANCIAL RESULTS:

The financial performance of the Company for the Financial Year ended on 31st March, 2026 and for the previous financial year ended on 31st March, 2025 is summarized as below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2025-26	**2024-25**	**2025-26**	**2024-25**
Revenue from operations	5,555.78	4,961.41	5,555.78	5,415.97
Other Income	166.16	0.01	166.16	13.90
Total Revenue	**5,721.94**	**4,961.42**	**5,721.94**	**5,429.87**
Total Expenses	**5,619.65**	**4,818.68**	**5,619.65**	**5,322.20**
Profit / Loss before Exceptional and Extra Ordinary Items and Tax Expenses	**102.29**	**142.74**	**102.29**	**107.67**
Less: Exceptional and Extra Ordinary Items	0.00	0.00	0.00	0.00
Profit / Loss before Tax Expenses	**102.29**	**142.74**	**102.29**	**107.67**
Less: Current Tax	18.02	4.70	18.02	4.70
Tax Adjustment of Earlier Year	(4.70)	-	(4.70)	-
Deferred Tax	(5.61)	0.89	(5.61)	0.89
Profit / Loss for the Period	**94.58**	**137.15**	**94.58**	**102.08**
Earnings Per Share (EPS)				
Basis	0.74	1.08	(0.41)	(0.88)
Diluted	0.74	1.08	(0.41)	(0.88)

***Note**: The above figures are extracted from the audited standalone and consolidated financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS").*

2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

- **Standalone:**

  The total revenue from operations for Financial Year 2025-26 is Rs. 5,555.78 Lakhs as compared to total revenue from operations of Rs. 4,961.41 Lakhs for previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2025-26 of Rs. 102.29 as compared to Profit before tax of Rs. 142.74 Lakhs for previous Financial Year. The Net Profit after tax for the Financial Year 2025-26 is Rs. 94.58 as compared to Net Profit after tax Rs. 137.15 Lakhs as compared for previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

- **Consolidated:**

  The total revenue from operations for Financial Year 2025-26 is Rs. 5,555.78 Lakhs as compared to total revenue from operations of Rs. 5,415.97 Lakhs for previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2025-26 of Rs. 102.29 Lakhs as compared to Profit before tax of Rs. 107.67 Lakhs for previous Financial Year. The Net Profit after tax for the Financial Year 2025-26 is Rs. 94.58 Lakhs as compared to Net Profit after tax of Rs. 102.08 Lakhs for previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business during the year under review.

4. WEBLINK OF ANNUAL RETURN:

Pursuant to Section 92(3) read with Section134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2026 is available on the Company's website at www.yarnsyndicate.in.

5. SHARE CAPITAL:

A. AUTHORISED SHARE CAPITAL:

The Authorised Equity Share Capital of the Company is Rs. 22,00,00,000/- (Rupees Twenty-Two Crores Only) divided into 2,20,00,000 (Two Crores and Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only).

During the year there is no change in the Authorised Equity Share Capital of the Company.

B. PAID-UP SHARE CAPITAL:

The fully paid-up Equity Share Capital of the Company as on 31st March, 2026 is Rs. 3,75,00,000/- (Rupees Three Crores Seventy-Five Lakhs Only) divided into 37,50,000 (Thirty-Seven Lakhs and Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

The partly paid-up Equity Share Capital of the Company as on 31st March, 2026 is Rs. 9,00,00,000/- (Rupees Nine Crores Only) divided into 1,80,00,000 (One Crore and Eighty Lakhs) equity shares of Rs. 5/- (Rupees Five Only) each.

The Total paid-up Equity Share Capital of the Company as on 31st March, 2026 is Rs. 12,75,00,000/- (Rupees Twelve Crores Seventy-Five Lakhs Only)

6. DIVIDEND:

To conserve the financial resources for future prospect and growth of the Company, the Board of Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build strong reserve base, therefore do not recommend any dividend for the Financial Year 2025-26 (Previous year - Nil).

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). During the year under review, there was no unpaid or unclaimed dividend in the "Unpaid Dividend Account" lying for a period of seven years from the date of transfer of such unpaid dividend to the said account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

8. TRANSFER TO RESERVES:

The profit of the Company for the Financial Year ending on 31st March, 2026 is transferred to profit and loss account of the Company under Reserves and Surplus.

9. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:

- **Change in Registered Office of the Company:**

  Company has changed its Registered Office within the state from 13 S No-10 Devraj Estate, Nr. Balaji Petrol Pump, Pirana Road, Piplaj, Saijpur, Ahmedabad, Ahmadabad City, Gujarat, India, 382405 to 188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad, Daskroi, Gujarat, India, 382405, with effect from 14th November, 2025.

- **Finalization and Revision of the Record Date for Conversion of Partly Paid-up Equity Shares into Fully Paid-up Equity Shares:**

  The Board of Directors, at its meeting held on 9th March, 2026, approved 27th March, 2026 as the Record Date for the conversion of Partly Paid-up Equity Shares into Fully Paid-up Equity Shares.

  Subsequently, considering the prevailing unfavourable market conditions, the Board, at its meeting held on 23rd March, 2026, approved the revision of the Record Date from Friday, 27th March, 2026 to Friday, 10th April, 2026.

  Thereafter, at its meeting held on 7th April, 2026, the Board further approved the revision of the Record Date from Friday, 10th April, 2026 to 15th May, 2026.

10. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There is no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation.

11. MEETINGS OF THE BOARD OF DIRECTORS:

The Directors of the Company met at regular intervals at least once in a quarter with the gap between two meetings not exceeding 120 days to take a view of the Company's policies and strategies apart from the Board Matters.

During the year under the review, the Board of Directors met 9 (Nine)times viz. 16th May, 2025, 26th May, 2025, 30th May, 2025, 12th August, 2025, 13th November, 2025, 22nd November, 2025, 13th February, 2026, 9th March, 2026 and 23rd March, 2026.

12. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

a. In the preparation of the Annual Accounts, for the year ended on 31st March, 2026 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there is no material departure from the same;

b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the financial year ended on 31st March, 2026;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the Annual Accounts on a going concern basis;

e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions of Section 135 of the Companies Act, 2013 is not applicable to your Company as the Company does not fall under the criteria limits mentioned in the said section of the Act.

Hence, the Company has not taken voluntary initiative towards any activity mentioned for Corporate Social Responsibility.

14. EXPLANATIONS / COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

i. **Auditors' Report:**

The observations of the Statutory Auditor, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

ii. **Secretarial Auditor's Report:**

15. The report of the Secretarial auditor has not made any adverse remark in their Audit Report **PARTICULARS OF LOANS, GUARANTEES, SECURITIES COVERED OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of loans, investment, guarantees and securities covered under the provisions of section 186 of the Companies Act, 2013 are provided in the financial statement.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All the transactions to be entered by the Company with related parties will be in the ordinary course of business and on an arm's length basis. Further, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014, in Form No. AOC-2 is enclosed herewith as **Annexure - II.**

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the Company's current working and future outlook as per **Annexure - III**.

18. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate internal financial controls with reference to financial statement across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the financial year, such controls were tested and no reportable material weaknesses in the design or operations were observed. The Statutory Auditors of the Company also test the effectiveness of Internal Financial Controls in accordance with the requisite standards prescribed by ICAI. Their expressed opinion forms part of the Independent Auditor's report.

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

During the year, no reportable material weakness was observed.

19. RESERVES & SURPLUS:

Sr. No.	Particulars	Amount (In Lakhs)
1.	Opening Balance of Retained Earnings	(709.38)
2.	Opening Balance of Securities Premium	1,946.33
3.	Current Year's Profit / (Loss)	94.58
	Total	**1,331.53**

20. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF THE RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

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

The details of conservation of energy, technology absorption etc. as required to be given under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is not given as the Company has not taken any major step to conserve the energy etc.

There were no foreign exchange earnings or outgo during the year under review.

Sr. No.	Foreign exchange earnings and outgo	F.Y. 2025-26	F.Y. 2024-25
1.	Foreign exchange earnings	Nil	Nil
2.	CIF value of imports	Nil	Nil
3.	Expenditure in foreign currency	Nil	Nil
4.	Value of Imported and indigenous Raw Materials, Spare-parts and Components Consumption	Nil	Nil

22. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice and is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. The Company's Policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is available on the website of the Company at www.yarnsyndicate.in.

23. DISCLOSURES RELATING TO HOLDING, SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURES:

As on 31st March, 2026, Company has one Associate Company i.e. M/s. Stitched Textiles Limited.

Details of Associate Company in Form No. AOC-1 is enclosed herewith as **Annexure I**.

24. SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI"). The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

25. REPORTING OF FRAUDS BY THE AUDITORS:

During the year under review, neither the Statutory nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the

Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

26. STATE OF COMPANY'S AFFAIRS:

Management Discussion and Analysis Report for the year under review, as stipulated in Regulation 34(2)(e) of SEBI Listing Regulations is given as a separate part of the Annual Report. It contains a detailed write up and explanation about the performance of the Company.

27. STATEMENT ON ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board / Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of the Nomination and Remuneration Committee had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the independent directors and the meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

The Board carried out an annual performance evaluation of its own performance and that of its committees and individual directors as per the formal mechanism for such evaluation adopted by the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee.

The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The exercise of performance evaluation was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

a) For Non-Executive & Independent Directors:

- Knowledge
- Professional Conduct
- Comply Secretarial Standard issued by ICSI Duties
- Role and functions

b) For Executive Directors:

- Performance as leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set investment goal
- Professional conduct and integrity
- Sharing of information with Board.
- Adherence applicable government law

The Directors expressed their satisfaction with the evaluation process.

28. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

A. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

B. BUSINESS CONDUCT POLICY:

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the policy. The objective of the policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

29. PARTICULARS OF EMPLOYEES:

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the Employees of the Company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2025-26.

30. LOAN FROM DIRECTOR / RELATIVE OF DIRECTOR:

During the year under review, the Company has not entered into any materially significant related party transactions which may have potential conflict with the interest of the Company at large. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial statement.

31. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Directors and Key Managerial Personnel of the Company are summarized below:

Sr. No.	Name	Designation	DIN
1.	Mr. Ravi Niranjan Pandya	Managing Director	09509086
2.	Ms. Nidhi Bansal	Non-Executive and Independent Director	09693120
3.	Mr. Rahul Hareshbhai Modi[3]	Non-Executive and Independent Director	09483841
4.	Mr. Tarachand Agrawal	Non-Executive and Non-Independent Director	00465635
5.	Mr. Mithleshkumar	Non-Executive and Non-Independent Director	03468643

	Agrawal[1]		
6.	Mr. Burhanuddin Hakimuddin Lokhandwala[5]	Non-Executive and Independent Director	11705597
7.	Ms. Shwetambery Khurana[2]	Company Secretary and Compliance Officer	****9276D
8.	Ms. Shrasti Dubey[4]	Company Secretary and Compliance Officer	*****1109P
9.	Mr. Dharmesh Vimalkumar Tripathi	Chief Financial Officer	*****6631H

[1]Mr. Mithleshkumar Agrawal appointment as an additional director was subsequently regularized by the shareholders at their meeting held on 9th June, 2025.
[2]Ms. Shwetambery Khurana had resigned from the post of the Company Secretary and Compliance Officer of the Company w.e.f. 30th April, 2026.
[3]Mr. Rahul Hareshbhai Modi had resigned from the post of Non-Executive and Independent Director w.e.f. 16th May, 2026.
[4]Ms. Shrashti Dubey was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 28th May, 2026 and had resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 17th July, 2026.
[5]Mr. Burhanuddin Hakimuddin Lokhandwala was appointed as Additional Non- Executive and Independent Director of the company w.e.f. 25th May, 2026.

Apart from the above changes, there were no other changes in the composition of the Board of Directors of the Company during the Financial Year 2025-26 and till the date of Board's Report. As per Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

32. DECLARATION BY INDEPENDENT DIRECTORS:

Mr. Burhanuddin Hakimuddin Lokhandwala and Ms. Nidhi Bansal are Independent Directors of the Company have confirmed to the Board that they meet the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and they qualify to be Independent Director. They have also confirmed that they meet the requirements of Independent Director as mentioned under Regulation 16 (1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The confirmations were noted by the Board.

33. CORPORATE GOVERNANCE:

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and Auditor's Certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - IV**.

34. DEPOSITS:

As per Section 73 of the Companies Act, 2013, the Company has neither accepted nor renewed any deposits during the financial year. Hence, the Company has not defaulted in repayment of deposits or payment of interest during the financial year.

35. FORMAL ANNUAL EVALUATION PROCESS BY BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, the Board has carried the evaluation of its own performance, performance of Individual Directors, Board Committees, including the Chairman of the Board on the basis of attendance, contribution towards development of the Business and various other criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

In a separate meeting of Independent Directors, the performances of Executive and Non-Executive Directors were evaluated in terms of their contribution towards the growth and development of the Company. The achievements of the targeted goals and the achievements of the expansion plans were too observed and evaluated, the outcome of which was satisfactory for all the Directors of the Company.

36. AUDITORS:

A. Statutory Auditor:

M/s. SSRV & Associates, Chartered Accountants, (FRN: 135901W) Mumbai was appointed as Statutory Auditors of the company from financial year 2025-26 to 2028-29, from the conclusion of 79th Annual General Meeting held in the year 2025 till the conclusion of 83rd Annual General Meeting of the Company to be held in the year 2029.

Company has received a written confirmation from M/s. SSRV & Associates, Chartered Accountants, Mumbai, to the effect that their appointment, if made, would satisfy the criteria provided in Section 141 of the Companies Act, 2013 and the Rules framed there under.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with your Company as well as declaring that they have not taken up any prohibited non-audit assignments for your Company. The Audit Committee reviews the independence of the Auditors and the effectiveness of the Audit Process.

The Auditor's report for the Financial Year ended 31st March, 2026 has been issued with an unmodified opinion, by the Statutory Auditor.

B. Secretarial Auditor:

The Board of Directors pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed Mr. Jay Pandya, Proprietor of M/s. Jay Pandya & Associates, Company Secretaries, as a Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2025-26.

The Secretarial Audit Report for the Financial Year 2025-26 is annexed herewith as **Annexure – V** in Form MR-3.

C. Internal Auditor:

The Board of directors has appointed M/s. Umesh Khese & Co., Chartered Accountants, as the internal auditor of the Company. The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

37. DISCLOSURES:

A. Composition of Audit Committee:

During the year under review, meetings of members of the Audit committee as tabulated below, was held on 30th May, 2025, 12th August, 2025, 13th November, 2025, and 13th February, 2026 the attendance records of the members of the Committee are as follows:

The constitution of the Audit Committee is as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Ms. Nidhi Bansal	Chairperson	4	4
Mr. Ravi Niranjan Pandya	Member	4	4
Mr. Rahul Hareshbhai Modi[1]	Member	4	4
Mr. Burhanuddin Hakimuddin Lokhandwala[2]	Member	NA	NA

[1]Mr. Rahul Hareshbhai Modi had given resignation from the post of Member of the Audit Committee w.e.f. 16th May, 2026.
[2]Mr. Burhanuddin Hakimuddin Lokhandwala has appointed on the post of Member of Audit Committee w.e.f. 25th May, 2026.

B. Composition of Nomination and Remuneration Committee:

During the year under review, meetings of the members of the Nomination and Remuneration committee, as tabulated below, was held on 13th February, 2026 and the attendance records of the members of the

Committee are as follows:

The constitution of the Nomination and Remuneration Committee is as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Ms. Nidhi Bansal	Chairperson	1	1
Mr. Tarachand Agrawal	Member	1	1
Mr. Rahul Hareshbhai Modi[1]	Member	1	1
Mr. Burhanuddin Hakimuddin Lokhandwala[2]	Member	NA	NA

[1]Mr. Rahul Modi had given resignation from the post of Member of the Audit Committee w.e.f. 16th May, 2026.
[2]Mr. Burhanuddin Hakimuddin Lokhandwala has appointed on the post of Member of Audit Committee w.e.f. 25th May, 2026.

C. Composition of Stakeholders' Relationship Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on 22nd August, 2025, 22nd November, 2025 and 23rd February, 2026 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Tarachand Agrawal	Chairperson	1	1
Ms. Nidhi Bansal	Member	1	1
Mr. Ravi Niranjan Pandya	Member	1	1

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

The Company has always been committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as confirmed by the Internal Complaints Committee as constituted by the Company.

The following no. of complaints was received under the POSH Act and the rules framed thereunder during the year:

1. Number of complaints filed during the financial year - Nil
2. Number of complaints disposed of during the financial year - Nil
3. Number of complaints pending as on the end of the financial year – Nil

39. INDUSTRIAL RELATIONS:

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.

40. MAINTENANCE OF COST RECORDS:

According to information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act in respect of activities carried out by the Company.

41. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code 2016.

42. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE AVAILING LOAN FROM THE BANKS AND FINANCIAL INSTITUTIONS:

During the year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions.

43. ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Suppliers, Customers and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

Registered Office:
188/2, Ranipur Village, Opp. CNI Church,
Narol, Narol, Ahmedabad,
Daskroi, Gujarat, India, 382405

By the Order of the Board of,
Yarn Syndicate Limited

Place: Ahmedabad
Date: 31st July, 2026

Sd/-
Ravi Niranjan Pandya
Managing Director
DIN: 09509086

"ANNEXURE I"

FORM NO. AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B": Associate

(Amount in Lakhs)

Name of Subsidiary Company	**Stitched Textiles Limited**
1. Latest audited Balance Sheet Date	31-03-2026
2. Shares of Associate/Joint Ventures held by the company on the year end Number	6,30,00,000
Amount of investment in Associates Company	19,84,50,000
Extend of Holding %	49.82%
3. Description of how there is significant influence	Associate
4. Reason why the associate/joint venture is not consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the Year	
a. Considered in Consolidation	
b. Not Considered in Consolidation	

Registered Office:
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By the Order of the Board of
Yarn Syndicate Limited

Place: Ahmedabad
Date: 31st July, 2026

Sd/-
Tarachand Agrawal
Director
DIN: 00465635

Sd/-
Ravi Pandya
Managing Director
DIN: 09509086

“Annexure II”

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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms’ length basis.

2. Details of material contracts or arrangements or transactions at Arm’s length basis.

(Amount in Lakhs)

Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
Vax Enterprise Private Limited	Entity in which Director/ Relative of Director having significant influence	Purchase of Goods	1st April, 2025 to 31st March, 2026	Rs. 272.09/-	As per note below	As per note below
Stitched Textiles Limited	Associate Company	Sales of Goods	1st April, 2025 to 31st March, 2026	Rs. 208.83/-	As per note below	As per note below
Stitched Textiles Limited	Associate Company	Sales of Service	1st April, 2025 to 31st March, 2026	Rs. 0.34/-	As per note below	As per note below
Vaxtex Cotfab Limited	Director is Promoter	Sales of Goods	1st April, 2025 to 31st March, 2026	Rs. 239.74/-	As per note below	As per note below
Vaxtex Cotfab Limited	Director is Promoter	Purchase of Goods	1st April, 2025 to 31st March, 2026	Rs. 290.56/-	As per note below	As per note below
Varvee Global Limited	Director is Director	Purchase of Services	1St April, 2025 to 31st March, 2026	Rs. 1,197.53/-	As per note below	As per note below
Varvee Global Limited	Director is Director	Sales of Goods	1st April, 2025 to 31st March, 2026	Rs. 375.73/-	As per note below	As per note below
Varvee Global Limited	Director is Director	Sale of Property, Plant & Equipment	1st April, 2025 to 31st March, 2026	Rs. 212.95/-	As per note below	As per note below

Varvee Global Limited	Director is Director	Purchases of Goods*	1st April, 2025 to 31st March, 2026	Rs. (55.46)/-	As per note below	As per note below
Brand Cluster LLP	Director is Partner	Sales of Goods	1st April, 2025 to 31st March, 2026	Rs. 238.13/-	As per note below	As per note below

**Negative Purchases of Goods represents Purchase Return during the year.*

Note: Appropriate approvals have been taken for related party transactions wherever necessary. No amount was paid in advance.

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By the Order of the Board of,
Yarn Syndicate Limited

Sd/-
Tarachand Agrawal
Director
DIN: 00465635

Sd/-
Ravi Pandya
Managing Director
DIN: 09509086

Place: Ahmedabad
Date: 31st July, 2026

“ANNEXURE III”

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Overview of the Global Economy:

The global yarn industry continued to exhibit stable and resilient growth during FY 2025–26, underpinned by sustained demand from the apparel, home textiles, technical textiles, and industrial textile segments. Industry estimates place the global textile yarn market at approximately USD 117–122 billion in 2025, with the sector projected to grow at a CAGR of around 4.2%–4.5% over the medium term, reflecting steady underlying demand fundamentals despite a challenging macroeconomic environment. The Asia-Pacific region remained the epicentre of global yarn manufacturing and exports, contributing nearly half of global market revenue. This leadership position was driven primarily by China, India, Bangladesh, and Vietnam, which continue to benefit from cost-competitive manufacturing capabilities, ready availability of raw materials, and well-integrated textile value chains. North America and Europe, in contrast, maintained their focus on high-value, premium, and sustainability-led yarn products, catering to discerning end-markets with stricter quality and compliance requirements. South America continued to hold a moderate share of the market, anchored largely by cotton-based yarn production.

The industry navigated several headwinds during the year, including continued volatility in cotton and crude oil prices — which impacted the cost structures of both natural and synthetic yarns — alongside rising labour and energy costs, geopolitical tensions disrupting established trade routes, and an increasingly stringent global regulatory environment centred on environmental compliance and sustainable manufacturing.

Notwithstanding these challenges, the sector benefited from several favourable structural tailwinds. Demand for recycled, organic, and bio-based yarns continued to rise, reflecting a broader shift in consumer and regulatory preference towards sustainable textiles. The industry also saw accelerating adoption of automation, artificial intelligence, and digital spinning technologies, improving operational efficiency and product consistency. Growing end-use applications in sportswear, athleisure, technical textiles, and medical textiles further expanded the addressable market for yarn manufacturers.

Importantly, the ongoing diversification of global sourcing strategies away from China, combined with the continued strengthening of India's textile manufacturing ecosystem, provided a meaningful tailwind to the industry during FY 2025–26. This structural shift is expected to reinforce the industry's long-term growth outlook, positioning well-established manufacturing hubs — particularly India — to capture an increasing share of global yarn demand in the years ahead.

B. Overview of the Indian Economy:

The domestic trading market for yarn continues to be a significant contributor to the Company's overall business, forming a key pillar of its revenue generation and long-term growth strategy. This segment primarily involves the supply of yarn manufactured at the Company's facilities to various domestic trading partners across the country. The domestic market offers several strategic advantages to the Company. It enables optimal utilisation of the Company's existing manufacturing capabilities and infrastructure, ensuring efficient production planning and streamlined supply chain management. The geographical proximity to domestic customers further translates into shorter lead times, faster order fulfilment, and reduced transportation and logistics costs compared to export operations.

Moreover, the Company's focus on domestic trading partners allows it to effectively capture the rising demand for high-quality yarn within India, a market that has witnessed robust growth on the back of the expanding domestic textile manufacturing base. This growth has been driven by increasing consumption of textiles and apparel, supportive government policies aimed at strengthening India's textile value chain, and the country's emergence as a preferred sourcing destination amid global supply chain diversification.
Going forward, the Company remains committed to strengthening its domestic market presence by deepening relationships with trading partners, maintaining consistent product quality, and enhancing operational efficiencies — thereby ensuring sustained revenue contribution from this segment.

C. Outlook:

During the reporting period, the Company's domestic yarn trading segment witnessed encouraging growth, supported by a steady rise in sales volume and a corresponding increase in revenue. This performance was driven by consistent demand for high-quality yarn products within the domestic market, reflecting the continued strength of India's textile manufacturing ecosystem.

Going forward, the Company remains optimistic about sustaining this growth momentum. With domestic demand for quality yarn expected to remain robust — supported by the expanding textile and apparel industry, favourable government initiatives, and India's growing prominence as a global sourcing hub — the Company is well-positioned to capitalise on emerging opportunities in this segment.

The Company will continue to focus on strengthening its relationships with domestic trading partners, enhancing product quality and consistency, and optimising its manufacturing and supply chain efficiencies to further improve sales volumes and profitability. Backed by its established infrastructure and manufacturing capabilities, the Company is confident of delivering continued growth in its domestic yarn trading business in the periods ahead.

D. Industry structure and development:

The Indian textile and apparel industry continued to play a vital role in the country's economy during **FY 2025–26**, contributing approximately **2.3% to India's GDP**, **13% to industrial production**, and around **11–12% of the country's total merchandise exports**, while providing direct employment to over **45 million people** and indirect employment to nearly **100 million people** across the value chain. The MSME sector remained the backbone of the industry, accounting for a significant share of textile manufacturing, processing, and exports.

During **FY 2025–26**, India's textile and apparel exports were projected to reach approximately **USD 65 billion**, supported by improving global demand, expansion in technical textiles, and favourable government policies. The domestic textile and apparel market continued its strong growth trajectory and is expected to reach **USD 350 billion by 2030**, driven by rising disposable incomes, urbanisation, increasing demand for branded apparel, and the rapid expansion of e-commerce. The **technical textiles** segment remained one of the fastest-growing categories, supported by increasing applications in healthcare, infrastructure, defence, agriculture, and automotive sectors, along with sustained investments in research, innovation, and manufacturing capacity.

Government initiatives continued to strengthen the sector's competitiveness. The **Production-Linked Incentive (PLI) Scheme**, with a total outlay of **₹10,683 crore**, remained a major catalyst for investments in **man-made fibre (MMF) apparel, MMF fabrics, and technical textiles**, encouraging large-scale manufacturing, technology adoption, and export growth. The government also continued the implementation of flagship schemes such as the **PM MITRA Mega Textile Parks**, the **National Technical Textiles Mission (NTTM)**, the **Samarth Scheme** for skill development, and the **Technology Upgradation initiatives**, aimed at improving productivity, sustainability, and global competitiveness. Furthermore, the industry increasingly focused on sustainable manufacturing, circular economy practices, renewable energy adoption, recycled fibres, and digital transformation to align with evolving international environmental standards and strengthen India's position as a preferred global sourcing destination.

E. Opportunities and Threats:

Opportunities:

1. **Rising Demand in the Apparel and Textile Industry:** Sustained global growth in population, urbanisation, and fashion-conscious consumption continues to drive demand for garments and home textiles, thereby directly boosting the requirement for yarn as a core input material.

2. **Expansion in Technical and Industrial Textiles:** The growing use of technical textiles across sectors such as automotive, agriculture, healthcare, and sports presents a significant opportunity. These

specialised applications require high-performance yarns, opening avenues for product innovation and improved margin profiles.

3. **Government Schemes and Incentives:** Various government initiatives — including financial assistance, tax incentives, and infrastructure support under textile development schemes — continue to encourage capacity expansion, technological modernisation, and overall growth of the yarn manufacturing sector.

4. **Continuous Market Research and Development:** The Company's ongoing investment in market research and product development has enabled it to identify emerging trends and evolving customer preferences within the domestic market. This proactive approach has allowed the Company to align its product offerings with market demand and maintain a competitive edge.

Threats:

1. **Volatility in Raw Material Prices:** Prices of key inputs such as cotton and polyester remain susceptible to fluctuations driven by weather conditions, global demand-supply imbalances, and supply chain disruptions, which may lead to instability in production costs and profit margins.

2. **High Competition and Market Saturation:** The yarn industry remains highly competitive, with numerous players offering comparable products. This intense competition may lead to pricing pressures, margin erosion, and an ongoing need for product and service differentiation.

3. **Stringent Environmental Regulations:** Increasing regulatory focus on environmental compliance — particularly concerning water pollution, chemical usage, and carbon emissions — may result in higher compliance costs and necessitate continued investment in sustainable and eco-friendly manufacturing technologies.

4. **Emerging Alternative Technologies:** Rapid advancements in alternative materials and manufacturing technologies could pose a risk of product obsolescence, requiring the Company to continuously innovate and adapt its offerings to remain competitive.

F. <u>Segment-wise or Product-wise performance:</u>

The Company operates in One Primary Segment i.e. "Manufacturing and Trading in Textiles".

G. <u>Future Outlook:</u>

Looking ahead, the Company remains optimistic about the prospects of its domestic yarn trading business and is committed to pursuing focused strategies to sustain growth and capitalise on emerging opportunities. Key areas of strategic focus include:

- **Demand for Textiles:** The Company will continue to closely track evolving demand patterns across the apparel, home textile, and technical textile segments to align its production and sales strategies with market requirements.
- **Raw Material Availability and Prices:** Proactive monitoring of raw material markets, coupled with prudent procurement planning, will remain central to managing input cost volatility and safeguarding margins.
- **Technological Advancements:** The Company will continue to invest in modern spinning technologies and process automation to enhance productivity, improve product quality, and reduce operational costs.
- **Sustainability and Eco-Friendly Practices:** With increasing emphasis on environmentally responsible manufacturing, the Company will continue to strengthen its sustainability initiatives, including exploring recycled, organic, and bio-based yarn offerings, in line with evolving customer and regulatory expectations.
- **Global Trade and Geopolitical Factors:** The Company will remain vigilant of shifting global trade dynamics and geopolitical developments, adapting its sourcing and market strategies to mitigate potential disruptions and capitalise on India's strengthening position in global textile supply chains.

- **Online Expansion:** The Company intends to explore digital and online channels to widen its market reach, improve customer engagement, and enhance overall sales efficiency.
- **Premiumisation and Access to Global Brands:** Efforts will be directed towards catering to the growing demand for premium yarn products and strengthening relationships with global and domestic brands seeking high-quality inputs.
- **Further Growth of Private Brands:** The Company will continue to support and expand its private label offerings, enabling deeper market penetration and improved brand equity among domestic trading partners.
- **Focus on Analytics:** Greater emphasis will be placed on leveraging data analytics to gain deeper insights into market trends, customer preferences, and operational performance, enabling more informed and agile decision-making.

Through these initiatives, the Company aims to strengthen its competitive position, enhance operational resilience, and deliver sustainable, long-term growth in its domestic yarn trading business.

H. <u>Risks and concerns:</u>

Management recognizes the following principal risks that may influence decisions made by investors given their significant impact on business conditions as stated in the securities report, and among matters pertaining to accounting status, consolidated companies' financial status and business performance, as well as cash flows. Our risk management system addresses the increasingly complex risks that we face in our day-to-day operations. The risk management system conducts risk analysis of economic and social changes and implements preventive measures that are best suit for the Company.

I. <u>Internal control systems and their adequacy:</u>

The Company has implemented robust internal control systems, commensurate with its size, scale of operations, and the nature of its business, to ensure the orderly and efficient conduct of its operations. These controls are designed to safeguard the Company's assets, prevent and detect fraud and errors, ensure the accuracy and completeness of accounting records, and facilitate the timely preparation of reliable financial information.

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. The company has internal audit and verification at regular intervals.

The Company's Audit Committee periodically reviews the adequacy and effectiveness of the internal control systems, along with the internal audit findings, to ensure that the control environment remains robust and responsive to the evolving needs of the business.

The requirement of having internal auditor compulsory by statue in case of listed and other classes of companies as prescribed shall further strengthen the internal control measures of company.

H. <u>Discussion on financial performance with respect to operational performance:</u>

The financial performance of the Company for the Financial Year 2025-26 is described in the Directors' Report of the Company.

I. <u>Material developments in Human Resources / Industrial Relations front including number of people employed:</u>

The cordial employer - employee relationship also continued during the year under the review. The Company has continued to give special attention to human resources.

J. Caution Statement:

Statements made in the Management Discussion and Analysis describing the various parts may be "forward looking statement" within the meaning of applicable securities laws and regulations. The actual results may differ from those expectations depending upon the economic conditions, changes in Govt. Regulations and amendments in tax laws and other internal and external factors.

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By the Order of the Board of,
Yarn Syndicate Limited

Place: Ahmedabad
Date: 31st July, 2026

Sd/-
Tarachand Agrawal
Director
DIN: 00465635

Sd/-
Ravi Pandya
Managing Director
DIN: 09509086

Annexure 'IV'

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes that Corporate Governance is an ethical business process that is committed to value aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decision and conducting business with firm commitment to values, while meeting stakeholder's expectations. Corporate Governance is globally recognized as a key component for superior long-term performance of every corporate entity.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to the last. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected Company.

We are committed for maximizing stakeholder value by improving good governance, quality and commitment with a spirit of integrity.

Our Corporate Governance framework ensures that we make timely disclosure and share accurate information regarding our financial and performance, as well as leadership and governance of the Company.

The Company's philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieve the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "SEBI (LODR) Regulations, 2015"), as applicable, is given below.

2. BOARD OF DIRECTORS:

a) Composition:

Name of Directors	Category of Directorship in the Company	No. of other Directorship @	No. of Committee position in other Companies**		No. of Board Meetings attended during 2025-26
			Member	Chairman	
Mr. Ravi Niranjan Pandya	Managing Director	0	-	-	9
Mr. Tarachand Agrawal	Non-Executive Non-Independent Director	1	1	0	9
Mr. Rahul Hareshbhai Modi[1]	Non-Executive Independent Director	2	1	1	9
Ms. Nidhi Bansal	Non-Executive Independent Director	3	8	4	9
Mr. Mithlesh Agrawal	Non-Executive Non-Independent Director	0	-	-	9

[1] Mr. Rahul Hareshbhai Modi has been resigned from the post of Non-Executive and Independent Director of the company w.e.f. 16th May, 2026.

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

** for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

b) Information on Board of Directors:

None of the directors on the board is a Member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which he is a director. None of the Independent Directors serve as an Independent Director in more than seven listed entities provided that any Independent Director who is serving as a whole-time director in any listed entity shall serve as an independent director in not more than three listed entities. Necessary disclosures regarding their Directorship/ Membership in other companies have been made by all directors.

Chart/Matrix setting out the skills/expertise/ competence of the Board of Directors

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

i. Knowledge:

Understand the Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.

ii. Behavioral Skills:

Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

iii. Business Leadership:

Leadership experience including in the areas of Business Strategy, Administration, Decision Making and guiding the Company and its senior management towards its vision and values.

iv. Financial Management skills:

Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes.

v. Sales and Marketing:

Experience in developing strategies to grow sales and market share, build brand awareness and thereby enhance enterprise value.

Name of Director	Knowledge	Behavioral Skills	Business Leadership	Financial Management skills	Sales and Marketing
Mr. Ravi Niranjan Pandya	Yes	Yes	Yes	Yes	Yes
Mr. Tarachand Agrawal	Yes	Yes	Yes	Yes	Yes
Mr. Rahul Hareshbhai Modi	Yes	Yes	Yes	Yes	Yes
Ms. Nidhi Bansal	Yes	Yes	Yes	Yes	Yes
Mr. Mithlesh Agrawal	Yes	Yes	Yes	Yes	Yes

c) Declaration by the Board:

In terms of Regulation 25(8) of Listing Regulations, each Independent Director has confirmed that he/she meets the criteria of independence in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations and also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Based on the declaration received from each Independent Director under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of Listing Regulations, Board of Directors has confirmed that the Independent Directors fulfill the conditions specified in these sections and regulations and are independent of the management.

d) Resignation of Independent Director:

During the year under review, there is no instance of resignation of an Independent Director.

e) Board Membership Criteria:

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristic, skills and experience required for the Board as a whole and for individual members. Board Members are expected to possess the expertise, skills, and experience to manage and guide a high growth.

f) Number of meetings of the Board of Directors held and dates on which held:

9 (Nine) Board Meetings were held during the year 2025-26. The dates on which the Board meetings were held are: 16th May, 2025, 26th May, 2025, 30th May, 2025, 12th August, 2025, 13th November, 2025, 22nd November, 2025, 13th February, 2026, 9th March, 2026 and 23rd March, 2026.

The information as required under Regulation 17(7) of SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the agenda, the same are tabled at the meeting and specific reference to this is made in the agenda. As required under Regulation 17(3) of SEBI (LODR) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Names of the Directors on the Board, their Attendance in the Board Meeting, % of attendance and Attendance in last Annual General Meeting during the year 2025-26 is given below:

No. of Board Meeting held & attended during 2025-26	**Name of Director**				
	Mr. Ravi Niranjan Pandya	**Mr. Rahul Hareshbhai Modi**	**Mr. Tarachand Agrawal**	**Mr. Mithleshkumar Agrawal**	**Ms. Nidhi Bansal**
16/05/2025	Yes	Yes	Yes	Yes	Yes
26/05/2025	Yes	Yes	Yes	Yes	Yes
30/05/2025	Yes	Yes	Yes	Yes	Yes
12/08/2025	Yes	Yes	Yes	Yes	Yes
13/11/2025	Yes	Yes	Yes	Yes	Yes
22/11/2025	Yes	Yes	Yes	Yes	Yes
13/02/2026	Yes	Yes	Yes	Yes	Yes
09/03/2026	Yes	Yes	Yes	Yes	Yes
23/03/2026	Yes	Yes	Yes	Yes	Yes
Total attended	**9**	**9**	**9**	**9**	**9**
% of attendance	**100**	**100**	**100**	**100**	**100**

Whether attended Last AGM held on 17-09-2025	Yes	Yes	Yes	Yes	Yes

g) Disclosure of Relationship between Directors inter se:

No Directors of the Company are inter-se related.

h) Shareholding of Non-Executive Directors:

Name of Directors	No. of Shares held	% of shareholding
Mr. Tarachand Agrawal	0	0.00
Ms. Nidhi Bansal	0	0.00
Mr. Mithleshkumar Agrawal	0	0.00
Mr. Rahul Hareshbhai Modi	0	0.00
Total	**0**	**0.00**

i) Code of Conduct:

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015. A declaration in respect of affirmation on compliance with Code of Conduct, by the Board Members and senior management personnel for the financial year ended on 31st March, 2026, duly signed by Managing Director of the Company is attached herewith and forms part of Corporate Governance Report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

j) Disclosures regarding appointment/re-appointment of Directors:

Mr. Mithleshkumar Agrawal, Director, is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. An agenda seeking shareholders' approval for his re-appointment forms part of the Notice of the Annual Report.

The brief resume and other information required to be disclosed under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

k) Familiarization Programme for Independent Director:

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarization programmes have been disclosed on the Company's website.

3. <u>AUDIT COMMITTEE:</u>

The Audit Committee serves as the link between the Statutory and internal auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

a) Terms of reference and Powers:

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the Regulation 18 of SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

With the introduction of SEBI Notification No. SEBI/ LAD-NRO/GN/2021/22 dated 5th May, 2021 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner, the role of the Audit Committee has been amended by addition of one new role of Audit Committee i.e. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Committee reviews the information as listed under Regulation 18(3) of SEBI (LODR) Regulations, 2015 read with Schedule II Part C (B) as well as under Section 177 of the Companies Act, 2013 as amended from time to time.

b) Composition:

The Board of Directors of the Company has constituted an Audit Committee. Presently, the Audit Committee comprises qualified and majority independent members of the Board, who have expertise knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR)Regulations, 2015. The present composition of the Audit committee is as follow:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Ms. Nidhi Bansal	Chairperson	4	4
Mr. Ravi Niranjan Pandya	Member	4	4
Mr. Rahul Hareshbhai Modi[1]	Member	4	4
Mr. Burhanuddin Hakimuddin Lokhandwala[2]	Member	NA	NA

1. *Mr. Rahul Hareshbhai Modi had resigned from the post of member of the Audit Committee w.e.f. 16th May, 2026.*
2. *Mr. Burhanuddin Hakimuddin Lokhandwala has appointed as member of the Audit Committee w.e.f. 25th May, 2026.*

❖ **Composition of Audit Committee as on Date of Report:**

Audit Committee was reconstituted on 25th May, 2026. Hence, Committee Composition as on date of report is stated as below:

Name	Status
Ms. Nidhi Bansal	Chairperson
Mr. Ravi Niranjan Pandya	Member
Mr. Burhanuddin hakimuddin lokhandwala	Member

c) Audit Committee Meetings:

4 [Four] Audit Committee Meetings were held during the year 2025-26. The dates on which the Audit Committee Meetings were held are: 30th May, 2025, 12th August, 2025, 13th November, 2025 and 13th February, 2026.

The Statutory Auditors, Internal Auditors of the Company and Finance personnel are invited to attend and participate in the meetings of the Audit Committee. The Committee holds discussions with them on various matters including limited review of results, audit plan for the year, matters relating to compliance with accounting standards, auditors' observations and other related matters.
Company Secretary acts as Secretary to the Committee.

Names of the members on the Committee, their Attendance in the Audit Committee Meetings, % of attendance during the year 2025-26 is given below:

Name of Member	No. of Audit Committee Meeting held & attended during 2025-26				Total attended	% of attendance
	30-05-2025	12-08-2025	13-11-2025	13-02-2026		
Ms. Nidhi Bansal	Yes	Yes	Yes	Yes	4	100
Mr. Ravi Niranjan Pandya	Yes	Yes	Yes	Yes	4	100
Mr. Rahul Hareshbhai Modi	Yes	Yes	Yes	Yes	4	100

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Composition:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulation, 2015, Nomination and Remuneration Committee has been constituted by the Board of Directors. The present composition of the Nomination and Remuneration Committee is as follow:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Ms. Nidhi Bansal	Chairperson	1	1
Mr. Tarachand Agrawal	Member	1	1
Mr. Rahul Hareshbhai Modi[1]	Member	1	1
Mr. Burhanuddin Hakimuddin Lokhandwala[2]	Member	NA	NA

1. Mr. Rahul Hareshbhai Modi had resigned from the post of member of the Audit Committee w.e.f. 16th May, 2026.
2. Mr. Burhanuddin Hakimuddin Lokhandwala has appointed as member of the Audit Committee w.e.f. 25th May, 2026.

❖ **Composition of Nomination and Remuneration Committee as on Date of Report:**

Nomination and Remuneration Committee was reconstituted on 25th May, 2026. Hence, Committee Composition as on date of report is stated as below:

Name	Status
Ms. Nidhi Bansal	Chairperson
Mr. Tarachand Agrawal	Member
Mr. Burhanuddin Hakimuddin Lokhandwala	Member

b) Nomination and Remuneration Committee Meeting:

During the year under review, Nomination and Remuneration Committee ("NRC") Meeting was held on 13th February, 2026.

Names of the members on the Committee, their Attendance in the Nomination and Remuneration Committee (NRC) Meetings, % of attendance during the year 2025-26 is given below:

Name	No. of Committee Meeting	Total attendance	% of attendance
	13-02-2026		
Mr. Tarachand Agrawal	Yes	1	100
Mr. Rahul Hareshbhai Modi	Yes	1	100
Ms. Nidhi Bansal	Yes	1	100

c) Terms of reference and Powers of the committee inter alia, includes the following:

Terms of Reference and role of the NRC cover the matters specified in SEBI (LODR) Regulations, 2015 and Section178 of the Companies Act, 2013 as amended from time to time, which, inter alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.

- Formulation of criteria for evaluation of performance of independent directors and the board of directors.

- Devising a policy on diversity of board of directors.

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and carrying out evaluation of performance of every Director.

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- Recommending and determining remuneration of the Executive Directors as per the Policy.

- To recommend to the board, all remuneration, in whatever form, payable to senior management.

d) Performance evaluation criteria for directors:

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, effective participation, domain knowledge and so on, which are considered by the Committee and/or Board while evaluating the performance of each Director.

The performance evaluation of the Independent Directors was carried out by the entire Board as well as Nomination and Remuneration Committee.

e) Salient features of policy on remuneration of directors, key managerial personnel & senior employees:

The Company has formulated the remuneration policy for its directors, key managerial personnel and Senior Employees keeping in view the following objectives:

» To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

» To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

» To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

<u>(1) Criteria for Selection of Directors:</u>

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee ("NRC") satisfies itself with regard to the independence nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. NRC ensures that the candidate identified for Appointment / Re- Appointment as an Independent Director is not disqualified for Appointment / Re-Appointment under Section 164 of the Companies Act, 2013.

d. NRC considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

e. Board of Directors take into consideration the performance evaluation of the Directors and their engagement level.

(2) Criteria for Selection of KMP/Senior Management:

a. NRC ensures that the candidate possesses the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.

b. NRC considers the practice and encourages professionalism and transparent working environment.

c. NRC considers to build teams and carry the team members along for achieving the goals/ objectives and corporate mission.

(3) Remuneration:

A. Remuneration to Executive Directors and KMP:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

ii) The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the KMP of the Company.

iii) The remuneration structure to the Executive Directors and KMP shall include the following components:

• Basic Pay
• Perquisites and Allowances
• Stock Options
• Commission (Applicable in case of Executive Directors)
• Retiral benefits

B. Remuneration to Non-Executive Directors:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive and Independent Directors shall also be entitled to remuneration by way of commission in addition to the sitting fees.

C. Remuneration to Senior Employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

5. REMUNERATION OF DIRECTORS:

a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

b) Disclosures with respect to remuneration:

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

Executive & Managing Directors

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Managing Director, subject to the approval of Members, if required. The remuneration structure of the Company comprises salary/remuneration, perquisites & Allowances etc. The nature of employment of all Executive and Managing Directors is contractual as per the Company's policy.

The Company has one Managing Director on its Board, who is eligible to draw remuneration as per the Board and Shareholder's approval. However, the Managerial Person viz. Mr. Ravi Pandya, Managing Director draw remuneration of Rs. 13,73,000/- During the year and accordingly no remuneration including any allowances and/or performance linked Bonus/Commission was paid to the Managerial Persons during financial year 2025-2026.

Terms of Appointment of Directors

As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/reappointment are given in Notice of the 80th Annual General Meeting.

- **Non-Executive & Independent Directors:**

Commission & Sitting fees to Non-executive Director

The details of payment of commission and sitting fees paid to Non-Executive & Independent Directors for the F.Y. 2025-26 are as under:

(Amount in Lakhs)

Sr. No.	Name of Director	Commission	Sitting Fees
1.	Mr. Rahul Hareshbhai Modi	Nil	0.40
2.	Ms. Nidhi Bansal	Nil	0.40

The Company also reimburses out of pocket expenses incurred by the Directors, if any, for attending Board & Committee meetings.

- **Non-Executive Director**

Remuneration paid to Mr. Tarachand Agrawal paid during F.Y. 2025-26: 2.80 Lakhs

Note: As per Regulation 17(6)(ca) of the SEBI (LODR) Regulations, 2015, the approval of the members of the Company by way of special resolution, giving details of remuneration, is required every year for payment of annual remuneration to single non-executive Director exceeding 50% (fifty percent) of the total annual remuneration payable to all non-executive Directors of the Company.

c) Stock Option

The Company has not granted any stock options to its directors.

The Criteria of making payment to Non-Executive Directors is placed on the website of the Company.

6. <u>STAKEHOLDERS RELATIONSHIP COMMITTEE:</u>

a) Composition

The Company has constituted Stakeholders Relationship Committee. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee specifically looks into issues relating to various aspects of shareholders, *inter alia,* share related matters and redressal of grievances of Security holders. The Committee comprises 3 [three] members and committee functions under the Chairmanship of the Committee. The present composition of the Stakeholders Relationship Committee is as follow:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Tarachand Agrawal	Chairperson	3	3
Mr. Ravi Niranjan Pandya	Member	3	3
Ms. Nidhi Bansal	Member	3	3

b) Stakeholders' Relationship Committee Meetings:

3 [Three] meetings were held during the year 2025-26. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 22nd August, 2025, 22nd November, 2025 and 23rd February, 2026.

Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2025-26 is given below:

Name	No. of Committee Meeting			Total attendance	% of attendance
	22-08-2025	22-11-2025	23-02-2026		
Mr. Tarachand Agrawal	Yes	Yes	Yes	3	100
Mr. Ravi Niranjan Pandya	Yes	Yes	Yes	3	100
Ms. Nidhi Bansal	Yes	Yes	Yes	3	100

c) Terms of reference, Role and Powers:

The Company has adopted terms of reference and role of Stakeholders Relationship Committee as per Section 178 the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

Role of Stakeholders Relationship Committee:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

d) Other Information:

• To expedite the process of share transfer, transmission, split, consolidation, rematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the powers of approving the same to the Company's RTA namely Cameo Corporate Services Limited, Tamil Nadu, under the supervision and control of the Company Secretary/ Compliance Officer of the Company, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.

• Name, Designation and address of the Company Secretary & Compliance Officer

Ms. Shwetambery Khurana, Company Secretary & Compliance Officer

Yarn Syndicate Limited
188/2, Ranipur Village, Opp. CNI Church,
Narol, Narol, Ahmedabad,
Daskroi, Gujarat, India, 382405

Email: ysl@yarnsyndicate.in

The Company has designated the email id (ysl@yarnsyndicate.in) for grievances redressal and registering complaints by investor.

Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2025-26.

Quarter-wise Summary of Investors' Complaints received and resolved

Quarter Period		Opening	Received	Resolved	Pending
From	To				
01-04-2025	30-06-2025	Nil	Nil	Nil	Nil
01-07-2025	30-09-2025	Nil	Nil	Nil	Nil
01-10-2025	31-12-2025	Nil	1	1	Nil
01-01-2026	31-03-2026	Nil	Nil	Nil	Nil

e) Non-receipt/Unclaimed dividends

The Company has not declared dividend for any financial year till date and also there are Nil unclaimed dividend as on date.

f) Amount Transferred to IEPF Account

As per the provision of Section 124(5) and Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

7. <u>INFORMATION ABOUT GENERAL MEETINGS:</u>

a) Annual General Meeting:

Details of Venue, Date and Time of the Last Three Annual General Meetings are as follows:

Year	Venue	Date	Time
2022-23	Through Video Conferencing ("VC") / Other Audio Video Means ("OAVM")	31-08-2023	4:30 P.M.
2023-24	Through Video Conferencing ("VC") / Other Audio Video Means ("OAVM")	30-09-2024	4:00 P.M.
2024-25	Through Video Conferencing ("VC") / Other Audio Video Means ("OAVM")	17-09-2025	4:00 P.M.

b) Special Resolution (without postal ballot) passed at the Last Three AGM:

The Company has passed following special resolutions at Annual General Meeting for 2022-23 on 31st August, 2023:

1. Appointment of Mr. Nandish Jani (DIN: 09565657) as an Independent Director of the Company.
2. Appointment of Ms. Nidhi Bansal (DIN: 09693120) as an Independent Director of the Company.
3. To approve Borrowing Limits under Section 180(1)(C) of the Companies Act, 2013.
4. To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of such undertakings.
5. Power under Section 186 of the Companies Act, 2013,
6. Change of Registered Address of the Company.

The Company has passed following special resolutions at Annual General Meeting for 2023-24 on 30th September, 2024:

1. Change of Registered Office of the Company from Gandhinagar in the "State of Gujarat" to Ahmedabad in the "State of Gujarat".

The Company has passed following special resolutions at Annual General Meeting for 2024-25 on 17th September, 2025: Nil

c) Postal Ballot Resolutions

The Company did not pass any special resolution through Postal Ballot during the last year.

8. <u>MEANS OF COMMUNICATION:</u>

a) Financial Results

The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges and Company website, immediately after the same are taken on record by the Board.

b) Newspapers wherein results normally published

Results are normally published in Indian Express (English edition) and in Financial Express (Gujarati edition). These are not sent individually to the shareholders.

c) Website, News Releases, Presentation etc.

The Company's results, annual reports and official news releases are displayed on the Company's website. The said Company's website also containing basic information about the Company includes information about the Company's business, financial information, shareholding pattern, compliance with corporate governance, Company's director, registrar & transfer agent, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc.

The Company had meetings with and made presentations to the institutional investors and analysts during the year and the presentation made to analysts and investors are uploaded on the website of the Company.

BSE Listing Center

BSE Limited has also launched a web-based system for corporates to make their periodic submission of compliances online. Your company is also filing the Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures through the BSE Listing Center.

Processing of investor complaints in SEBI Complaints Redress System (SCORES)

SEBI has commenced processing of investor complaints in a centralized web-based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

Price Sensitive Information

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the Shareholders. The said information are also uploaded on the Company's website.

9. OTHER DISCLOSURES:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

There were no materially significant related party transactions that may have potential conflict with the interests of the Company.

b) Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

Your Company has complied with all the requirements of regulatory authorities. No penalty/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market.

c) Vigil Mechanism/ Whistleblower Policy

The Company has adopted the Whistleblower Policy and has established the necessary vigil mechanism for stakeholders, including individual employees and their representative bodies and directors to report concerns about illegal or unethical practices, unethical behavior, actual or suspect fraud or violation of Code of Conduct. It also provides adequate safeguard against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee. No person has been denied access to the Chairman of Audit Committee. The said policy is uploaded on the Company's website.

d) Material Subsidiary

The Company have Associate Company.

The Company has policy for determining "Material Subsidiary" which is uploaded on the website of the Company.

e) Basis of Related Party Transaction

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2025-26. Related party transaction during the year have been disclosed vide note no. 30 of notes on financial statement as per requirement of Ind AS 24 on related party disclosure issued by ICAI.

These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

f) Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements

• Compliance with the Corporate Governance Code

As per Notification no. SEBI/LAD-NRO/GN/2018/21 dated May 31 2018 regulations 17, 18, 19, 20 and 21 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 related to Board of Directors Audit Committee Nomination and Remuneration Committee and Stakeholders Relationship Committee respectively shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing CIRP under the Code provided that the role and responsibilities of the Board of Directors as specified under regulation 17 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency and Bankruptcy Code.

• Extent of compliance with the non-mandatory requirements and Discretionary Requirements specified in Part E of Schedule II

o **Shareholder's Rights:** Quarterly and Yearly financial results including summary of significant events are presently not being sent to the shareholders of the Company. However, quarterly financial results are published in the leading newspapers and are also available on the website of the Company.

o **Modified Opinion(s) in Audit Report:** There is no qualification on Auditor's report on standalone and consolidated financial statement to the shareholder of the Company.

o **Reporting of Internal Auditor:** The Board has appointed Internal Auditor of the Company. The Internal Auditor of the Company is regularly invited to the Audit Committee meeting and regularly attends the meeting. The Internal Auditors give quarterly presentation on their audit observation to the Audit Committee.

The Company has obtained a Certificate from Mr. Jay Pandya, Proprietor of M/s. Jay Pandya & Associates, Company Secretaries, Ahmedabad on compliance of conditions of Corporate Governance requirement as required under Schedule V (E) read with Regulation 34 (3) of SEBI (LODR) Regulations, 2015 and has attached the said certificate with the Boards' Report.

g) Disclosure of accounting treatment in preparation of Financial Statements

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing financial statement.

h) MDAR

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

i) CEO/CFO Certificate

In compliance of the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015 the Managing Director and Chief Financial Officer also give quarterly Certification on financial results while placing the financial results before the Board.

j) Risk Management Policy

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

k) Dividend Distribution Policy

As per amendment made in Regulation 43A of SEBI (LODR) Regulations, 2015 vide SEBI Notification No. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2021, top 1000 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. The Board has approved the Dividend Distribution Policy in line with said Regulation which is uploaded on the website of the Company.

l) Other Policies

The Company has also formulated policy for Preservation & Archival of documents and a policy for determining materiality of event and information for disclosures as per Listing Regulation, 2015.
Policy on Criteria of making payment to Non-Executive Directors.

The Board approved policy on Criteria of making payment to Non-Executive Directors as per Companies Act, 2013 and made amended from time to time.

Further, MCA vide its circulars dated 18th March, 2021 notifies amendment in Section 149(9) and Section 197 including Schedule V of the Companies Act, 2013 which allow the Independent Director to take remuneration in case of Company has no profit or inadequate profit subject to the provisions of Schedule V. Hence, the Company has revised Criteria of making payment to Non-Executive Directors to that extent.

The said policies are available on the website of the Company.

m) Conflict of Interest

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

n) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

o) Confirmation and Certification

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Mr. Jay Pandya, Proprietor of M/s. Jay Pandya & Associates, Company Secretaries, Ahmedabad, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

p) Payment to Statutory Auditors

During 2025-26, total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the Statutory Auditors.

q) Sexual Harassment of Women at Workplace

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“Sexual Harassment Act”). Internal Complaints Committee (ICC) has been constituted for the Company’s various sites and workplace in compliance with the provisions of Sexual Harassment Act to redress complaints received regarding sexual harassment. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment Act.

r) SEBI (Prohibition of Insider Trading) Regulations, 2015

The Company has approved/adopted Code of Conduct for Insider Trading, as per SEBI (Prohibition of Insider Trading) Regulations, 2015 [“SEBI (PIT) Regulations”]

s) Availed services of NSDL to update e-mail ids of shareholders to send notice of 80th Annual General Meeting in compliance with the concern circulars issued by MCA and SEBI

In view of the unprecedented outbreak of COVID-19 pandemic, MCA and SEBI vide their Circulars allowed Companies to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Further, the said circulars have also permit to send Annual Report to Shareholders through email only and dispensed with the printing and dispatch of physical copy of annual reports to shareholders.

Accordingly, Notice of AGM along with the Annual Report for FY 2025-26 was being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. In this regard, as a part of Good Corporate Governance, the Company had availed services of Depository viz. National Securities Depository Limited (“NSDL”) to update the e-mail IDs of the shareholders to send Notice of AGM along with the Annual Report for FY 2025-26. By the said services, shareholders can update their email ID directly without approaching their DP, where they maintain their demat account.

t) During the year, the Board has accepted all the recommendations made by various committees including Audit Committee. There have been no instances during the year where recommendations of the any Committee were not accepted by the Board.

10. GENERAL SHAREHOLDERS' INFORMATION:

Sr. No.	Particulars	Details
1.	Registered Office	188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad, Daskroi, Gujarat, India, 382405
2.	Annual General Meeting	24th August, 2026 at 3:00 P.M. Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to MCA / SEBI Circulars.
3.	Financial Year	1st April, 2025 to 31st March, 2026
4.	Financial Results	
	1st Quarter	45 days from end of Quarter 30th June, 2025
	Half Year ended	45 days from end of Quarter 30th September, 2025
	Nine Months ended	45 days from end of Quarter 31st December, 2025
	Year ended	60 days from end of Financial Year i.e. 31st March, 2026
5.	Book Closure Dates	17th August, 2026 to 24th August, 2025 (both days inclusive)
6.	Dividend Payment Date	Not Applicable
7.	Listing of Shares on Stock Exchanges	**BSE Limited** The Company has paid the annual listing fees for the financial year 2025-26 to the Stock Exchange viz. BSE Limited, where the equity shares of the Company are listed.
8.	Stock Exchange Code	Script Code: 514378 and Symbol: YARNSYN
9.	Registrar and Share Transfer Agents for both Physical and Demat Segment of Equity Shares of the Company	Cameo Corporate Services Ltd Subramanian Building No. 1, Club House Road, Chennai, Tamil Nadu, India, 600002

11. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2026:

No. of Equity Shares Held	No. of Share Holders	% of Share Holders	No. of Equity Shares Held	% of total Holding
1-1000	8519	92.1571	1190047	5.4715
1001-5000	479	5.1817	1095620	5.0373
5001-10000	81	0.8762	616111	2.8327
10001 & above	165	1.7849	18848222	86.6585
Total	**9244**	**100.00**	**217500000**	**100.00**

12. CATEGORY OF SHAREHOLDERS AS ON 31ST MARCH, 2026:

Category	No. of Shares held	% of Shareholding
Promoters (Directors, Relatives & Group Companies)	11,90,534	5.47
LLP	7,22,161	3.32
Corporate Bodies	31,27,156	14.38
Non-Resident Indian	84,519	0.39
Resident Individual	1,48,54,967	68.30
HUF	17,49,873	8.05
Public (Institutions)	20,790	0.10
Total	**2,17,50,000**	**100.00**

13. DEMATERIALIZATION OF SHARES & LIQUIDITY:

The Company's shares are in compulsory demat segment and as on 31st March, 2026, 2,15,42,259 equity shares of the Company, forming 99.03% of the Company's paid-up equity share capital, is in dematerialized form. Company's shares are easily traded on the stock exchange i.e. BSE Limited Main Board.

14. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has no outstanding GDRs/ADRs/ Warrants/Options or any convertible Instruments as on 31st March, 2026.

15. SHARE TRANSFER SYSTEM:

All the shares related work is being undertaken by our RTA, Cameo Corporate Services Limited, Tamil Nadu. To expedite the process of share transfer, transmission, split, consolidation, rematerialistion and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

In terms of Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. Shares lodged for transfer at the RTA address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. The investors/ shareholders grievances are also taken-up by our RTA.

The Company has obtained and filed with the Stock Exchange(s), the yearly certificates from a Company Secretary in practice for due compliance with the share transfer formalities as required under Clause 40(9) of SEBI (LODR) Regulations, 2015 read with SEBI Circular no. SEBI/ HO/MIRSD/RTAMB/CIR/P/2020/59, dated April 13, 2020.

16. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid-up capital of the Company were placed before the Stakeholders Relationship Committee every quarter and also submitted to the Stock Exchange(s) every quarter.

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Yarn Syndicate Limited

We have examined the compliance of conditions of Corporate Governance by Yarn Syndicate Limited (the Company), for the financial year ended on 31st March, 2026 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in Listing 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, and based on the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the year ended on 31st 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 the Company.

FOR,
M/S. JAY PANDYA & ASSOCIATES,
COMPANY SECRETARIES

Sd/-
JAY PANDYA
PROPREITOR
ACS No.: 63213
COP No.: 24319
FRN: S2024GJ963300
Peer Review Certificate No.: 7830/2026
UDIN: A063213H000984573

Date: 30th July, 2026
Place: Ahmedabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

To,
The Members of
Yarn Syndicate Limited
188/2, Ranipur Village, Opp. CNI Church,
Narol, Ahmedabad,
Daskroi, Gujarat, India, 382405

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Yarn Syndicate Limited having CIN: L51109GJ1946PLC153972 and having registered office at 188/2, Ranipur Village, Opp. CNI Church, Narol, Narol, Ahmedabad, Daskroi, Gujarat, India, 382405 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 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	DIN	Date of Appointment in the Company
1.	Mr. Ravi Niranjan Pandya	09509086	12-05-2023
2.	Mr. Tarachandbhai Agrawal	00465635	14-02-2025
3.	Mr. Rahul Hareshbhai Modi	09483841	14-02-2025
4.	Ms. Nidhi Bansal	09693120	12-05-2023
5.	Mr. Mithleshkumar Agrawal	03468643	11-03-2025

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

FOR, JAY PANDYA & ASSOCIATES,
COMPANY SECRETARIES

Sd/-
JAY PANDYA
PROPREITOR
ACS No.: 63213
COP No.: 24319
FRN: S2024GJ963300
Peer Review Certificate No.: 7830/2026
UDIN: A063213H000984540

Date: 30th July, 2026
Place: Ahmedabad

"Annexure – V"

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2026
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Yarn Syndicate Limited
Regd. Office: 188/2, Ranipur Village, Opp. CNI Church, Narol,
Ahmedabad, Daskroi, Gujarat, India – 382 405.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Yarn Syndicate Limited [CIN: L51109GJ1946PLC153972]** (*hereinafter called the Company*). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2026 ('*Audit Period*') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, *(subject to the observations/qualification mentioned in this report)* in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 (*'the Act'*) and the Rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *(Not Applicable to the Company during the Audit Period)*;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

    (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    (e) The Securities and Exchange Board of India (Share based Employee benefits and Sweat Equity) Regulations, 2021 *(Not Applicable to the Company during the Audit Period)*;

(f) The Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008 *(Not Applicable to the Company during the Audit Period)*;
(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (upto 14th December, 2025) and The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 (from 15th December, 2025) regarding the Companies Act and dealing with client;
(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 *(Not Applicable to the Company during the Audit Period)*; and
(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not Applicable to the Company during the Audit Period)*;
(j) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 *(Not Applicable to the Company during the Audit Period)*;

(vi) Other laws as applicable during the audit period.

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India; with respect to the Board Meetings and General Meetings.
(b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited along with 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, subject to filing of certain forms with additional fees and certain Compliances of Listing Obligations and Disclosure Requirements) Regulations, 2015 beyond due date, except for the following: NA

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 that took place in the composition of the Board of Directors were in 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 as per the requirements of the statute and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at Board Meetings and Committee Meetings are passed with requisite approvals, as recorded in 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 have relied on the representations made by the Company and its officers for compliance under other laws specifically applicable to the industry to which the Company belongs
- I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.
- The Status of the Company shows as SDD Non-Compliant on the Website of BSE. The management has informed that due to an unforeseen technical issue/data corruption in the software system, the existing data could not be retrieved. Upon identifying the issue, the Company immediately initiated necessary corrective steps and is presently in the process of

installing a new SDD software system to ensure seamless maintenance of records and continued regulatory compliance. The management has further informed that the Company remains fully committed to adhering to all applicable SEBI regulations and is taking all necessary measures to strengthen the compliance mechanism and avoid recurrence of such issues in future.

FOR, JAY PANDYA & ASSOCIATES,
COMPANY SECRETARIES

Sd/-
JAY PANDYA
PROPRIETOR
ACS No.: 63213
COP No.: 24319
FRN: S2024GJ963300
Peer Review Certificate No.: 7830/2026
UDIN: A063213H000983066

Date: 30/07/2026
Place: Ahmedabad

*This report is to be read with my letter of even date which is annexed as **'Annexure -1'** and forms an integral part of this report.*

Annexure-1

To,
The Members
Yarn Syndicate Limited

My report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I 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 the correct facts are reflected in the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and have relied upon the statutory Auditor report made available by the company to me, as on the date of signing of this report.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is 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, JAY PANDYA & ASSOCIATES,
COMPANY SECRETARIES

Sd/-
JAY PANDYA
PROPRIETOR
ACS No.: 63213
COP No.: 24319
FRN: S2024GJ963300
Peer Review Certificate No.: 7830/2026
UDIN: A063213H000983066

Date: 30/07/2026
Place: Ahmedabad

Chief Financial Officer ("CFO") Certification

I, Dharmesh Vimalkumar Tripathi– Chief Financial Officer of Yarn Syndicate Limited **("the Company")**, to the best of my knowledge and belief, certify that:

A. I have reviewed the Financial Statements (Standalone and Consolidated) and the Cash Flow Statements (Standalone and Consolidated) for the year 1st April, 2025 to 31st March, 2026 and to the best of my knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year i.e. 1st April, 2025 to 31st March, 2026, which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which i am aware and the steps I have taken or proposed to take to rectify these deficiencies.

D. I have indicated to the Auditors and the Audit Committee:

   1. Significant changes in internal control over financial reporting during the year i.e. 1st April, 2025 to 31st March, 2026;
   2. Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
   3. Instances of significant fraud of which I 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.

Registered Office:
188/2, Ranipur Village, Opp. CNI Church,
Narol, Narol, Ahmedabad,
Daskroi, Gujarat, India, 382405

By the Order of the Board of
Yarn Syndicate Limited

Place: Ahmedabad
Date: 31st July, 2026

Sd/-
Dharmesh Vimalkumar Tripathi
Chief Financial Officer

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2026.

Registered Office:
188/2, Ranipur Village, Opp. CNI Church,
Narol, Narol, Ahmedabad,
Daskroi, Gujarat, India, 382405

By the Order of the Board of,
Yarn Syndicate Limited

Place: Ahmedabad
Date: 31st July, 2026

Sd/-
Tarachandbhai Agrawal
Director
DIN: 00465635

Sd/-
Ravi Niranjan Pandya
Managing Director
DIN: 09509086

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations, 2015

This is to certify that the Company has laid down the rules for Code of Conduct for the members of the Board and senior management, as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the financial year ended on 31st March, 2026, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

Registered Office:
188/2, Ranipur Village, Opp. CNI Church, Narol, Narol, Ahmedabad, Daskroi, Gujarat, India, 382405

By the Order of the Board of,
Yarn Syndicate Limited

Place: Ahmedabad
Date: 31st July, 2026

Sd/-
Tarachandbhai Agrawal
Director
DIN: 00465635

Sd/-
Ravi Niranjan Pandya
Managing Director
DIN: 09509086

INDEPENDENT AUDITOR'S REPORT

To the Members of Yarn Syndicate Limited

Report on the Indian Accounting Standards (Ind AS) Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Yarn Syndicate Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2021, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 omission ns, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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. As required by section 143(3) of the Act, we report that:

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

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

    (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2021, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our audit report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to the standalone financial statements.

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

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

        i. The Company has disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its financial statements - Refer Note 31 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid dividend during the year.

vi. Based on our examination which included test checks, the Company has used accounting software 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 respective software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437
Place: Mumbai
Date: May 28, 2026
UDIN: 26403437DDLZWN2078

Annexure A to Auditors' Report

Referred to in Annexure referred to in paragraph (1) under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of **Yarn Syndicate Limited** on the standalone financial statements as of and for the year ended March 31, 2026.

i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets as reflected in the books.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) According to the information and explanations given by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder. Hence the reporting requirements under clause (i) (e) of the said order are not applicable.

ii) (a) The inventory has been physically verified by the Management during the year at regular intervals. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate and no material discrepancies were identified on such verification.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company.

iii) The company has granted unsecured loans and made investments in other entities:

(a) In our opinion and according to the information and explanations given to us and the records produced to us for our verification, during the year the Company has provided loans as follows:

(Rupees in Lakhs)

Particulars	Loans
Aggregate Amount granted / provided during the year	
- Subsidiaries	Nil
- Others	9.62
Balances outstanding as at balance sheet date	
- Subsidiaries	Nil
- Others	14.62

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that rate of interest and other terms and conditions of the investments made and loans granted by the Company are not, prima facie, prejudicial to the interest of Company.

(c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of repayment of principal and payment of interest.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.

(e) There were no loans granted by the company which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment, however none of these are granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

(Rupees in Lakhs)

Particulars	All Parties
Aggregate amount of Loans repayable on demand	14.62
Percentage of loans to the total loans	100%

iv) In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the companies Act, 2013 in respect of loans, investments, guarantees and security.

v) The Company has neither accepted deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company and accordingly reporting under clause 3(vi) of the Order is not applicable.

vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income tax, goods and service tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred to above were in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2026 on account of any dispute.

viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded 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 based on our examination of the records of the company, the company has not made any default in repayment of loan from banks or Financial Institution or other borrowings or in the payment of interest thereon (where due) to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and based on our examination of the records of the company, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that, prima facie, no funds raised on short term basis have been used by the company for long-term purposes.

(e) According to the information and explanations given to us, and the procedures performed by 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 to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate.

x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by auditors in Form ADT – 4 as prescribed under Rule 13 of 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) The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii) In our opinion, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transaction with related parties and details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv) (a) In our opinion and based on our examination, 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 year under audit.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions, within the meaning of Section 192 of the Act, with directors or persons connected with them.

xvi) (a) According to information and explanations given by management and to the best of our knowledge, the company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investing Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) Based on the written representation provided to us by the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi) (d) of the Order is not applicable.

xvii) The company has not incurred cash losses during the financial year; and in the immediately preceding financial year.

xviii) There has been resignation of the statutory auditors during the year and no issues, objections or concerns were raised by the outgoing auditors.

xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in Note 29 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) According to the information and explanations given to us, the provisions of Section 135(5) of the Act, are not applicable to the company, hence the requirement to report on Clause 3(xx) of the Order is not applicable to the Company.

xxi) The requirement of Clause 3(xxi) is not applicable in respect of these Standalone Financial Statements.

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437
Place: Mumbai
Date: May 28, 2026
UDIN: 26403437DDLZWN2078

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

We have audited the internal financial controls over financial reporting of Yarn Syndicate Limited as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management and Board of Directors' Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect 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 authorizations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting 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.

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437
Place: Mumbai
Date: May 28, 2026
UDIN: 26403437DDLZWN2078

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Standalone Balance Sheet as at March 31, 2026

(Rupees in Lakhs)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	13.24	111.34
Intangible Assets	3	11.82	0.58
Financial Assets			
Non Current Investments	4	1,984.50	1,984.50
Other Non Current Financial Assets	5	12.54	7.45
Deferred Tax Assets (Net)	6	4.72	-
Total Non Current Assets		**2,026.82**	**2,103.87**
Current Assets			
Inventories	7	27.60	1,703.14
Financial assets			
Trade Receivables	8	1,076.79	1,488.74
Cash and Cash Equivalents	9	1.63	67.87
Loans and Advances	10	14.62	5.00
Other Financial Assets	11	48.60	49.70
Current Tax Assets (Net)	12	11.94	19.65
Other Current Assets	13	688.48	1,059.16
Total Current Assets		**1,869.66**	**4,393.26**
Total Assets		**3,896.48**	**6,497.13**
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	14	1,275.00	1,275.00
Other Equity	15	1,331.53	1,236.95
Total Equity		**2,606.53**	**2,511.95**
Non Current Liabilities			
Financial liabilities			
Non Current Borrowings	16	34.22	115.21
Deferred Tax Liabilities (Net)	6	-	0.89
Total Non Current Liabilities		**34.22**	**116.10**
Current liabilities			
Financial liabilities			
Current Borrowings	17	355.87	305.48
Trade Payables	18		
Total Outstanding Dues of Micro and Small Enterprises		-	-
Total Outstanding Dues of Creditors other than Micro and Small Enterprises		781.07	3,078.60
Other Current Liabilities	19	118.79	485.00
Total Current Liabilities		**1,255.73**	**3,869.08**
Total Liabilities		**1,289.95**	**3,985.18**
Total Equity & Liabilities		**3,896.48**	**6,497.13**
Material Accounting Policies	**2**		

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date attached.
For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437DDLZWN2078
Date: 28th May 2026

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Standalone Statement of Profit and Loss for the year ended March 31, 2026

(Rupees in Lakhs)

Particulars	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
Income			
Revenue from Operations	20	5,555.78	4,961.41
Other Income	21	166.16	0.01
Total Income		**5,721.94**	**4,961.42**
Expenses			
Cost of Material Consumed	22	2,637.66	4,331.18
Purchases of Stock-in-Trade	23	1,388.27	717.59
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	24	930.43	(947.55)
Employee benefits expense	25	147.70	195.35
Finance costs		-	-
Depreciation and Amortisation Expense	3	32.92	7.06
Other Expenses	26	482.67	515.05
Total Expenses		**5,619.65**	**4,818.68**
Profit before Tax		**102.29**	**142.74**
Tax Expenses	27		
Current Tax		18.02	4.70
Tax Adjustment of Earlier Year		(4.70)	-
Deferred Tax		(5.61)	0.89
Total Tax Expenses		**7.71**	**5.59**
Profit for the year		**94.58**	**137.15**
Earnings per Share	28		
Basic & Diluted EPS *(Rs. Per Equity Share of Rs. 10 each)*		0.74	1.08
Material	**2**		

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date attached.
For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437DDLZWN2078
Date: 28th May 2026

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Standalone Statement of Cash Flows for the year ended March 31, 2026

(Rupees in Lakhs)

Particulars		For the year Ended 31st March 2026	For the year Ended 31st March 2025
Cash Flow from Operating Activities			
Profit before Tax		102.29	142.74
Adjustments for:			
Depreciation and amortization Expenses		32.92	7.06
Profit on Sale of Property,Plant & Equipment		(35.49)	-
Sundry Balance written off		10.82	8.78
Operating Profit before Working Capital Changes		**110.54**	**158.58**
Changes in Working Capital Adjustments			
(Increase) / Decrease in Inventories		1,675.54	(1,673.81)
(Increase) / Decrease in Trade Receivables		399.80	(1,237.50)
(Increase) / Decrease in Other Financial Assets		(3.99)	(6.25)
(Increase) / Decrease in Other Assets		370.68	(751.98)
(Increase) / Decrease in Trade Payables		(2,296.20)	2,966.13
(Increase) / Decrease in Other Current Liabilities		(366.21)	482.93
Cash Generated from / (Used in) Operations		**(109.84)**	**(61.90)**
Less: Income Taxes Paid (Net)		(5.61)	(24.20)
Net Cash Flow Generated from / (Used in) Operating Activities	**[A]**	**(115.45)**	**(86.10)**
Cash Flow from Investing Activities			
Purchase of Property,Plant & Equipments		(109.92)	(118.33)
Purchase of Intangible Assets		(13.60)	(0.65)
Proceeds from Sale of Property,Plant & Equipments		212.95	-
Loans Given		(13.80)	(5.00)
Loans Given Received Back		4.18	1.02
Net Cash Flow Generated from / (Used in) Investing Activities	**[B]**	**79.81**	**(122.96)**
Cash Flow from Financing Activities			
Proceeds from Non Current Borrowings		118.92	115.21
Repayments of Non Current Borrowings		(199.91)	-
Proceeds from / (Repayment of) Short term Borrowings		50.39	48.04
Net Cash Flow Generated from / (Used in) Financing Activities	**[C]**	**(30.60)**	**163.25**
Net Changes in Cash & Cash Equivalents [A+B+C]		(66.24)	(45.81)
Cash & Cash Equivalents at the beginning of the year		67.87	113.68
Cash & Cash Equivalents at the end of the year		**1.63**	**67.87**

Notes:

1. The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows.

2. Amount in bracket indicates cash outflow.

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Standalone Statement of Cash Flows for the year ended March 31, 2026

(Rupees in Lakhs)

3. Reconciliation of Cash & Cash Equivalents as per Standalone Statement of Cash Flows:

Particulars	As at 31st March 2026	As at 31st March 2025
Cash on Hand	0.19	0.49
Balances with banks		
In Current Account	1.44	67.38
	1.63	**67.87**

4. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

For the year ended 31st March 2026

Particulars	As at April 01, 2025	Cash Flow Changes	Non Cash Changes	As at 31st March 2026
Non Current Borrowings	115.21	(80.99)	-	34.22
Current Borrowings	305.48	50.39	-	355.87
	420.69	**(30.60)**	**-**	**390.09**

For the year ended 31st March 2025

Particulars	As at April 01, 2024	Cash Flow Changes	Non Cash Changes	As at 31st March 2025
Non Current Borrowings	-	115.21	-	115.21
Current Borrowings	257.44	48.04	-	305.48
	257.44	**163.25**	**-**	**420.69**

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date attached.
For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437DDLZWN2078
Date: 28th May 2026

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Standalone Statement of Changes in Equity for the year ended March 31, 2026

(Rupees in Lakhs)

A. Equity Share Capital

Particulars	Number of Shares	Amount
Balance as at 1st April, 2024	2,17,50,000	1,275.00
Changes in Equity Share Capital during the current year	-	-
Changes in Equity Share Capital due to prior period errors	-	-
Balance as at 31st March, 2025	**2,17,50,000**	**1,275.00**
Changes in Equity Share Capital during the current year	-	-
Changes in Equity Share Capital due to prior period errors	-	-
Balance as at 31st March, 2026	**2,17,50,000**	**1,275.00**

B. Other Equity

Particulars	Reserves & Surplus		Total
	Securities Premium	Retained earnings	
Balance as at 1st April, 2024	**1,946.33**	**(846.53)**	**1,099.80**
Profit / (Loss) for the year	-	137.15	**137.15**
Total Comprehensive Income for the year	**-**	**137.15**	**137.15**
Balance as at 31st March, 2025	**1,946.33**	**(709.38)**	**1,236.95**
Profit / (Loss) for the year	-	94.58	**94.58**
Total Comprehensive Income for the year	**-**	**94.58**	**94.58**
Balance as at 31st March, 2026	**1,946.33**	**(614.80)**	**1,331.53**

As per our report of even date attached

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Mumbai
UDIN: 26403437DDLZWN2078
Date: 28th May 2026

Place: Ahmedabad
Date: 28th May 2026

1. Corporate Information

Yarn Syndicate Limited ("the Company") is a public limited Company having its registered office at **188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad, Gujarat, India - 382405**. The Company is engaged in the business of manufacturing and trading of textiles.

2. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

<u>Statement of Compliance</u>

These financial statements have been prepared in accordance with Ind-AS as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

<u>Basis of preparation</u>

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as required by the applicable accounting standards.

The financial statements are presented in Indian rupees (INR) and all amounts are rounded to the nearest lakhs, except otherwise indicated. Amount less than Rs. 500 are indicated as "0.00" in the financial statements.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

<u>Use of estimates and judgments</u>

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

<u>Investments</u>

Long term investments are stated at cost less provision for diminution in value other than temporary, If any. Current investments are valued at lower of cost and fair value determined on an individual investment basis.

<u>Fair Value Measurement</u>

The Company classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss).

ii) Those measured at amortised cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue Recognition

Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers on complete satisfaction of performance obligations for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sales of Goods

Revenue from the sale of goods is recognized when all significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services

Revenue from services rendered is recognised when the work is performed as per the performance obligations specified in the customer agreements.

Interest Income

Interest income is included in other income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate when there is a reasonable certainty as to realization.

Property, Plant and Equipment

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of asset or recognized as a separate asset, as appropriate, only when 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. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is charged on ***Written Down Value Method***. Depreciations are charged over the estimated useful lives of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis from/till the date they are put to commercial use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

Depreciation on additions/deletions to Property plant and equipment during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

The estimated useful lives of assets are as under:

Name of Asset	Useful life
Plant & Machinery	15 Years
Office Equipment	5 Years
Furniture & Fixtures	10 Years
Electrical Installations	10 Years
Computer Equipment	3 Years
Computer Software	5 Years

Inventories

Cost of Inventories is arrived at on First-In First-Out (FIFO) basis and valued at cost or net realizable value whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Income Taxes

Tax on Income comprises current tax and deferred tax. These are recognized in Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions where appropriate.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Earnings Per Share (EPS)

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

Diluted earnings per share is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of equity shares, for the effects of all diluted potential equity shares.

Changes in Accounting Estimates and Errors

The financial statements have been prepared in accordance with Ind AS 8. The Company selects and applies accounting policies consistently for similar transactions to ensure comparability. Changes in accounting policies are applied retrospectively unless specified otherwise. Changes in estimates are recognized prospectively. Prior period errors, if any, are corrected retrospectively in the financial statements.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of obligation cannot be made. Contingent assets are not recognized in the financial statements.

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.

Financial Assets

Initial recognition and measurement

All financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Classification

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value through other comprehensive income (OCI). Changes in fair values are recognized in OCI and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest income calculated using EIR and impairment loss, if any, are recognized in the Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognized in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing for financial assets.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivable, trade receivable other contractual rights to receive cash or other financial assets. For trade receivable, the Company measures the loss allowance at an amount equal to life time expected credit losses. Further, for the measuring life time expected credit losses allowance for trade receivable the Company has used a practical expedient as permitted under Indian AS 109. This expected credit loss allowance is computed based on provisions, matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at amortized cost unless at initial recognition, they are classified as fair value through profit or loss. In case of trade payables, they are initially recognizing at fair value and subsequently, these liabilities are held at amortized cost, using the Effective interest method.

Classification and subsequent measurement
Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

De-recognition
A financial liability is derecognized 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 subsequently different terms, or the terms of an existing liability are subsequently modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amount is recognize in the Statement of Profit & Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Recent accounting 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. During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 applicable to the company w.e.f. 1st April, 2025.

Amendments to Ind AS 21 - Lack of exchangeability
The amendment requires the Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1st April 2025. When applying the amendments, an entity cannot restate comparative information. The amendments do not have a material impact on the financial statements.

Amendments to Ind AS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification in addition; a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments do not have an impact on the Financial Statements.

Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

MCA via notification dated 13 August 2025 announced amendments to Ind AS 7 – "Statement of Cash Flows" and Ind AS 107 "Financial Instruments: Disclosures" which introduced disclosure requirements with the objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk.

The amendments do not have an impact on the Financial Statements.

International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

MCA via notification dated 13 August 2025 announced amendments to Ind AS 12 "Income Taxes" which includes:

• a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pilar Two model rules; and

• additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

The amendments do not have an impact on the Financial Statements.

Amendments to Ind AS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision 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 on the reporting date, the entity does not classify the liability as current, 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.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

This amendment is not expected to have an impact on the Financial Statements.

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

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

(Rupees in Lakhs)

3. Property, Plant and Equipment & Intangible Assets

Particulars	Property, Plant and Equipment								Intangible Assets
	Freehold Land	Buildings	Plant & Machinery	Electric Equipment	Computer	Furniture & Fittings	Office Equipment	Total	Computer Software
Original Cost									
Balance as at 1st April 2024	**5.58**	**0.62**			**2.60**			**8.80**	**-**
Additions	-	-	86.60	10.71	4.75	11.98	4.29	**118.33**	0.65
Disposals & Adjustments	(5.58)	(0.62)	-	-	(2.60)	-	-	**(8.80)**	-
Balance at 31 March 2025	**-**	**-**	**86.60**	**10.71**	**4.75**	**11.98**	**4.29**	**118.33**	**0.65**
Additions	-	-	108.81		0.24	-	0.87	**109.92**	13.60
Disposals & Adjustments	-	-	(195.41)	(9.59)	-	-	-	**(205.00)**	-
Balance at 31st March 2026	**-**	**-**	**-**	**1.12**	**4.99**	**11.98**	**5.16**	**23.25**	**14.25**
Accumulated Depreciation									
Balance at 1 April 2024	**-**	**-**	**-**	**-**	**2.59**	**-**	**-**	**2.59**	**-**
Depreciation for the year	-	-	4.21	0.78	0.34	0.87	0.79	**6.99**	0.07
Eliminated on disposal of assets	-	-	-	-	(2.59)	-	-	**(2.59)**	-
Balance at 31 March 2025	**-**	**-**	**4.21**	**0.78**	**0.34**	**0.87**	**0.79**	**6.99**	**0.07**
Depreciation for the year	-	-	20.86	2.01	2.91	2.88	1.90	**30.56**	2.36
Eliminated on disposal of assets	-	-	(25.07)	(2.47)	-	-	-	**(27.54)**	-
Balance at 31 March 2026	**-**	**-**	**-**	**0.32**	**3.25**	**3.75**	**2.69**	**10.01**	**2.43**
Carrying Amount									
Balance at 31 March 2026	-	-	-	0.80	1.74	8.23	2.47	**13.24**	**11.82**
Balance at 31 March 2025	-	-	82.39	9.93	4.41	11.11	3.50	**111.34**	**0.58**

(Rupees in Lakhs)

4. Non Current Investments	As at March 31, 2026	As at March 31, 2025
Investment in Equity Instruments		
Unquoted (At Amortised Cost)		
Associate company		
6,30,00,000 Equity shares of Stitched Textiles Limited having Face Value of Rs. 10 Each	1,984.50	1,984.50
	1,984.50	**1,984.50**

5. Other Non Current Financial Assets	As at March 31, 2026	As at March 31, 2025
Bank Deposits having Original Maturity more than 12 Months	5.09	-
Statutory Receivables under Litigation		
Pre-Deposit for Appeal Under GST Act	7.45	7.45
	12.54	**7.45**

6. Deferred Tax Assets (Net) / Deferred Tax Liabilities (Net)	As at March 31, 2026	As at March 31, 2025
Deferred Tax Assets		
Depreciation on Property, Plant & Equipment & Intangible Assets	0.35	-
Carried Forward Losses	4.37	-
Deferred Tax Liabilities		
Depreciation on Property, Plant & Equipment & Intangible Assets	-	0.89
	4.72	**(0.89)**

Notes:

Movement in Deferred Tax Assets (Net) for the year ended March 31, 2026:

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	As at March 31, 2026
Tax effect of items constituting Deferred Tax Assets / (Liabilities):				
Property, Plant & Equipment & Intangible Assets	(0.89)	1.24	-	**0.35**
Carried Forward Losses	-	4.37	-	**4.37**
Total	**(0.89)**	**5.61**	**-**	**4.72**

Movement in Deferred Tax Assets (Net) for the year ended March 31, 2025:

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	As at March 31, 2025
Tax effect of items constituting Deferred Tax Assets / (Liabilities):				
Property, Plant & Equipment & Intangible Assets	-	(0.89)	-	**(0.89)**
Total	**-**	**(0.89)**	**-**	**(0.89)**

7. Inventories	As at March 31, 2026	As at March 31, 2025
(Valued at lower of cost and net realizable value)		
Raw Materials & Components	10.48	755.59
Work in Progress	-	356.17
Finished Goods & Stock In Trade	17.12	591.38
	27.60	**1,703.14**

8. Trade Receivables	As at March 31, 2026	As at March 31, 2025
Unsecured		
Trade Receivables - Considered Good	1,076.79	1,488.74
Trade Receivables - Considered Doubtful	145.01	145.01
	1,221.80	**1,633.75**
Less: Allowance for Doubtful Debts	(145.01)	(145.01)
	1,076.79	**1,488.74**

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

(Rupees in Lakhs)

Trade Receivables Ageing as at 31st March 2026

Particulars	Outstanding for the following periods from date of transaction					
	Less Than 6 months	6 Months-1 years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables						
Considered Good	800.64	189.31	86.85	-	-	**1,076.80**
Considered Doubtful	-	-	-	-	145.01	**145.01**
Total	**800.64**	**189.31**	**86.85**	**-**	**145.01**	**1,221.81**
Less: Allowance for Doubtful Debts						(145.01)
Total						**1,076.80**

Trade Receivables Ageing as at 31st March 2025 -

Particulars	Outstanding for the following periods from date of transaction					
	Less Than 6 months	6 Months-1 years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables						
Considered Good	1,337.63	32.05	119.06	-	-	**1,488.74**
Considered Doubtful	-	-	-	-	145.01	**145.01**
Total	**1,337.63**	**32.05**	**119.06**	**-**	**145.01**	**1,633.75**
Less: Allowance for Doubtful Debts						(145.01)
Total						**1,488.74**

9. Cash and Cash Equivalents	**As at March 31, 2026**	**As at March 31, 2025**
Cash in Hand	0.19	0.49
Balances with Banks		
In Current Accounts	1.44	67.38
	1.63	**67.87**

10. Loans and Advances	**As at March 31, 2026**	**As at March 31, 2025**
(Unsecured, Considered Good)		
Advances recoverable in Cash or kind		
To Others	14.62	5.00
	14.62	**5.00**

11. Other Financial Assets	**As at March 31, 2026**	**As at March 31, 2025**
Security Deposits	48.60	49.70
	48.60	**49.70**

12. Current Tax Assets (Net)	**As at March 31, 2026**	**As at March 31, 2025**
Advance Income Tax Paid (Incl. TDS & TCS Receivable)	29.96	24.35
Less: Provision for Income Tax	(18.02)	(4.70)
	11.94	**19.65**

13. Other Current Assets	**As at March 31, 2026**	**As at March 31, 2025**
Advances for Capital Goods	-	43.17
Advances to Suppliers	672.04	807.22
Balances with Government Authorities	16.00	208.55
Prepaid Expenses	0.44	0.22
	688.48	**1,059.16**

(Rupees in Lakhs)

14. Equity Share Capital	As at March 31, 2026	As at March 31, 2025
A. Authorised Share Capital		
2,20,00,000 Equity Shares of Rs. 10 each	2,200.00	2,200.00
B. Issued, Subscribed and Fully Paid up Share Capital		
37,50,000 Equity Shares of Rs. 10 each	375.00	375.00
C. Issued, Subscribed and Partly Paid up Share Capital		
1,80,00,000 Equity Shares of Rs. 10 each, Rs. 5 paid up	900.00	900.00
	1,275.00	**1,275.00**

D. Reconciliation of number of Shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	2,17,50,000	1,275.00	2,17,50,000	1,275.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**2,17,50,000**	**1,275.00**	**2,17,50,000**	**1,275.00**

E. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Somani Ventures and Innovations Limited	22,95,523	10.55%	22,57,512	10.38%
Sanjay Karanraj Sakaria	22,69,000	10.43%	19,27,686	8.86%
Ravi Niranjan Pandya	11,90,534	5.47%	11,90,555	5.47%
Vismay Amitkumar Shah	2,34,114	1.08%	10,17,575	4.68%

F. Details of promoters shareholding and percentage of Change

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Change during the year	No. of Shares	% Change during the year
Ravi Niranjan Pandya	11,90,534	(0.00%)	11,90,555	(18.66%)

G. The Company has only one class of Equity Shares having a par value of Rs. 10.00 per share and each holder of the Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

H. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

15. Other Equity	As at March 31, 2026	As at March 31, 2025
Securities Premium		
Opening Balance	1,946.33	1,946.33
Add: Amount received during the year	-	-
Less: Amount Utilised during the year	-	-
	1,946.33	**1,946.33**
Retained Earnings		
Opening Balance	(709.38)	(846.53)
Add: Profit/(Loss) for the year	94.58	137.15
	(614.80)	**(709.38)**
	1,331.53	**1,236.95**

Nature and Purpose of Reserves:

Securities Premium

Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings represent the amount that can be distributed as dividend considering the requirements of the Companies Act, 2013. During the year, no dividends are distributed to the equity shareholders by the Company.

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

(Rupees in Lakhs)

16. Non Current Borrowings	As at March 31, 2026	As at March 31, 2025
Unsecured		
Inter Corporate Deposits	34.22	115.21
	34.22	**115.21**

17. Current Borrowings	As at March 31, 2026	As at March 31, 2025
Secured		
Bank Overdrafts Repayable on Demand	2.09	-
(Secured against Fixed deposit)		
Unsecured		
Inter Corporate Deposits	18.71	18.71
From Related Parties	99.75	50.95
From Others	235.32	235.82
	355.87	**305.48**

Note: The above loans are interest free & are repayable on demand.

18. Trade Payables	As at March 31, 2026	As at March 31, 2025
Dues to Micro and Small Enterprises	-	-
Dues to Others	781.07	3,078.60
	781.07	**3,078.60**

Trade Payables Ageing as at 31st March 2026

Particulars	Outstanding for the following periods from date of transaction				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Payables					
Dues to Micro and Small Enterprises	-	-	-	-	-
Dues to Others	757.59	23.48	-	-	**781.07**
Total	**757.59**	**23.48**	**-**	**-**	**781.07**

Trade Payables Ageing as at 31st March 2025

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Payables					
Dues to Micro and Small Enterprises	-	-	-	-	-
Dues to Others	3,078.60	-	-	-	**3,078.60**
Total	**3,078.60**	**-**	**-**	**-**	**3,078.60**

Disclosure under Section 22 of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

Based on the intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 by the company, disclosures as required under Section 22 of Act are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note: The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Financial Statements based on the information received and available with the company. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts has been relied upon by the auditors.

(Rupees in Lakhs)

19. Other Current Liabilities	As at March 31, 2026	As at March 31, 2025
Statutory Dues Payable	16.57	5.46
Payable to Employees	1.85	26.27
Advances from Customers	100.37	453.27
	118.79	**485.00**

20. Revenue from Operations	For the year ended 31st March 2026	For the year ended 31st March 2025
Sale of Products		
Domestic Sale	4,134.10	3,699.53
Export Sale	56.69	-
Sale of Services	1,222.60	1,200.08
Other Operating Revenues	142.39	61.80
	5,555.78	**4,961.41**

21. Other Income	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest Income		
Interest on Income Tax Refund	1.33	0.01
Interest from Others	3.25	-
Interest from Fixed Deposit	0.09	-
Profit on Sale of Property,Plant & Equipment	35.49	-
Income From Surrender Of Tenancy Rights	126.00	-
	166.16	**0.01**

22. Cost of Material Consumed	For the year ended 31st March 2026	For the year ended 31st March 2025
Opening Stock	755.59	-
Add: Purchases during the year	1,768.66	4,790.27
Add: Stock-in-trade consumed in production process	-	29.33
Less: Closing Stock	(10.48)	(755.59)
	2,513.77	**4,064.01**
Add: Direct Expenses	123.89	267.17
	2,637.66	**4,331.18**

23. Purchases of Stock-in-Trade	For the year ended 31st March 2026	For the year ended 31st March 2025
Purchase of Stock-In-Trade	1,388.27	717.59
	1,388.27	**717.59**

24. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	For the year ended 31st March 2026	For the year ended 31st March 2025
Inventories at the beginning of year		
Work-in-Progress	356.17	-
Finished Goods & Stock-In-Trade	591.38	-
Inventories at the end of year		
Work-in-Progress	-	(356.17)
Finished Goods & Stock-In-Trade	(17.12)	(591.38)
	930.43	**(947.55)**

25. Employee benefits expense	For the year ended 31st March 2026	For the year ended 31st March 2025
Salaries, Wages and Bonus	136.43	195.35
Director Remuneration	11.27	-
	147.70	**195.35**

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

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

(Rupees in Lakhs)

26. Other Expenses	For the year ended 31st March 2026	For the year ended 31st March 2025
Repairs and Maintenance Expenses	26.16	44.20
Coal Expense	320.57	377.86
Transportation Expenses	23.01	21.09
Rent Expenses	13.68	24.91
Security Expenses	15.29	13.25
Electricity Expenses	0.25	0.40
Legal and Professional Expenses	15.85	14.59
Payment to Auditors		
Statutory Audit Fees	-	-
Other Assurance Services	1.39	0.83
Directors Sitting Fees	0.80	0.93
Travelling and Conveyance Expenses	1.94	0.26
Printing & Stationery Expenses	3.46	3.02
Testing Expenses	0.02	0.49
Advertisement Expenses	11.44	0.64
Bank Charges	-	-
Commission Expenses	34.41	2.09
Communication Cost	0.41	0.07
Donation Expenses	-	0.10
Sundry Balances written off	10.82	8.78
Miscellaneous Expenses	1.63	1.54
Interest, Penalty and Late fees expenses	1.54	-
	482.67	**515.05**

27. Tax Expenses	For the year ended 31st March 2026	For the year ended 31st March 2025
Current Tax		
Current Income Tax Charge	18.02	4.70
Tax Adjustment for earlier years	(4.70)	-
	13.32	**4.70**
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(5.61)	0.89
	(5.61)	**0.89**
Total Tax Expenses	**7.71**	**5.59**

Reconciliation of effective tax rate

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Profit Before Tax as per Statement of Profit & Loss	**102.29**	**142.74**
Applicable Tax Rate for Corporate Entity as per Income Tax Act, 1961	25.17%	25.17%
Income tax using the Company's applicable tax rate	**25.74**	**35.92**
Tax Effect of:		
Expenses permanently disallowed from Income Tax	0.39	0.03
Tax Impact of Rate Difference on Special Rate Income	(13.69)	-
Other Adjustments	(4.73)	(30.36)
	7.71	**5.59**

28. Earnings per Share		For the year ended 31st March 2026	For the year ended 31st March 2025
Basic & Diluted Earnings Per Share			
Profit for the year attributable to Equity Shareholders	(Rupees in Lakhs)	94.58	137.15
Weighted Average Number of Equity Shares Outstanding during the year	(Numbers)	1,27,50,000	1,27,50,000
Nominal Value per Share	(Rupees)	10.00	10.00
Basic Earnings Per Share	(Rupees)	0.74	1.08

29. Additional Regulatory Requirements

(A) Ratios

Sr. No.	Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	Unit	% Change in Ratio	Reason for Changes more than 25%
1	Current Ratio	Total Current Assets	Total Current Liabilities	**1.49**	**1.14**	Times	31.13%	Due to decrease in current assets & liabilities during the year.
				1,869.66	4,393.26			
				1,255.73	3,869.08			
2	Debt Equity Ratio	Total Debt	Shareholders' Equity	**0.15**	**0.17**	Times	(10.64%)	NA
				390.09	420.69			
				2,606.53	2,511.95			
3	Debt Service Coverage Ratio	Not Applicable						
4	Return on Equity	Net Profit After Tax	Average Shareholders' Equity	**3.70%**	**5.61%**	%	(34.16%)	Due to decrease in profit in current year.
				94.58	137.15			
				2,559.24	2,443.38			
5	Inventory Turnover Ratio	Sales	Average Inventory	**6.42**	**5.73**	Times	12.09%	NA
				5,555.78	4,961.41			
				865.37	866.24			
6	Trade Receivables Turnover Ratio	Sales	Average Trade Receivables	**4.33**	**5.69**	Times	(23.94%)	NA
				5,555.78	4,961.41			
				1,282.77	871.30			
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	**1.88**	**3.53**	Times	(46.82%)	Due to decrease in Purchases during the year.
				3,624.50	5,634.98			
				1,929.84	1,595.56			
8	Net Capital Turnover Ratio	Sales	Average Working Capital	**9.76**	**10.92**	Times	(10.63%)	NA
				5,555.78	4,961.41			
				569.06	454.14			
9	Net Profit Ratio	Net Profit	Sales	**1.70%**	**2.76%**	%	(38.42%)	Due to decrease in profit in current year.
				94.58	137.15			
				5,555.78	4,961.41			
10	Return on Capital Employed	Earnings before Interest & Taxes	Capital Employed	**3.41%**	**4.87%**	%	(29.85%)	Due to decrease in profit in current year.
				102.29	142.74			
				2,996.62	2,933.53			
11	Return on Investment	Not Applicable						

(B) Other Statutory Information

1. There are no proceedings initiated or pending against the company under Section 24 of The Prohibition of Benami Property, 1988 and rules made thereunder for holding any benami property.
2. The company has not been declared wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.
3. The company does not have any transactions with struck off under Section 248 of the Companies Act, 2013.
4. There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
5. The company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.
6. The company has not entered into any scheme of arrangement in terms of Section 230 to 237 of the Companies Act, 2013.
7. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kinds of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the intermediary shall, whether directly or indirectly lend or invest in other person / 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 Ultimate Beneficiaries.
8. The Company has not received any fund from any other person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the company shall directly or indirectly lend or invest in other person / entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of
9. The company does not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in tax assessments under the Income Tax Act, 1961.
10. The company has not traded or invested in Crypto Currency or Virtual Currency during the reporting periods.
11. The company has not been sanctioned working capital limit in form of term loans and overdraft facilities.
12. There are no immovable property in the books of the company whose title deed is not held in the name of the company.

(Rupees in Lakhs)

30. Related Party Disclosures

The company has identified related parties and transactions entered with them as required by Ind AS - 24 issued by ICAI as below:

(i) Name of related parties and description of relationship where control exists

Sr. No.	Name of Related Party	Relationship
1	Stitched Textile Limited	Associate Company (From 8th June 2024)
2	Ravi Niranjan Pandya	Promotor & Managing Director
3	Chetan Kumar Ojha	Director (Up to 15th February 2025)
4	Tarachand Gangasahay Agrawal	Director (From 14th February 2025)
5	Mithleshkumar M Agrawal	Director (From 11th March 2025)
6	Nidhi Bansal	Independent Director
7	Nandish Jani	Independent Director (Up to 20th February 2025)
8	Rahul Hareshbhai Modi	Independent Director (From 14th February 2025)
9	Dharmesh Tripathi	Chief Financial Officer
10	Shwetambery Khurana	Company Secretary (From 18th July 2024)
11	Brand Cluster LLP	Director is Partner (From 14th February 2025)
12	Vaxtex Cotfab Limited	Director is Promotor (From 11th March 2025)
13	Varvee Global Limited	Director is Director (From 05th July 2025)
14	Stitched Broking Securities Private Limited	Director is Director (From 14th February 2025)
15	Vax Enterprise Private Limited	Director is Director (From 11th March 2025)

(ii) Transactions with Related Parties

Sr. No.	Name of Related Party	Transactions	As at March 31, 2026	As at March 31, 2025
1	Nidhi Bansal	Directors' Sitting Fees	0.40	0.41
2	Nandish Jani	Directors' Sitting Fees	-	0.37
3	Rahul Hareshbhai Modi	Directors' Sitting Fees	0.40	0.15
4	Stitched Textiles Limited	Purchases of Goods	-	431.88
5	Vax Enterprise Private Limited	Purchases of Goods	272.09	285.72
6	Stitched Textiles Limited	Sales of Goods	208.83	226.02
7	Stitched Textiles Limited	Sales of Service	0.34	-
8	Stitched Textiles Limited	Commission Income	100.00	-
9	Vaxtex Cotfab Limited	Sales of Goods	239.74	-
10	Vaxtex Cotfab Limited	Purchases of Goods	290.56	-
11	Varvee Global Limited	Purchases of Service	1,197.53	-
12	Varvee Global Limited	Purchases of Goods (Refer Note below)	(55.46)	-
13	Varvee Global Limited	Sales of Goods	375.73	-
14	Varvee Global Limited	Rent Expense	9.50	-
15	Varvee Global Limited	Sale of Property, Plant & Equipment	212.95	-
16	Brand Cluster LLP	Loans Repaid	50.00	-
17	Brand Cluster LLP	Sales of Goods	238.13	-
18	Namichand Agrawal	Loans Repaid	0.50	-
19	Ravi Niranjan Pandya	Loans Repaid	0.95	2.00
20	Ravi Niranjan Pandya	Remuneration	13.73	-
21	Tarachand Gangasahay Agrawal	Remuneration	2.80	-
22	Shwetambery Khurana	Remuneration	14.81	9.07
23	Dharmesh Tripathi	Remuneration	9.31	-

Note: Negative Purchases of Goods represents Purchase Return during the year.

(Rupees in Lakhs)

(iii) Outstanding Balances at the end of the year

Sr. No.	Name of Related Party	Nature of Balances	As at March 31, 2026	As at March 31, 2025
1	Stitched Textiles Limited	Trade Receivables	-	237.14
2	Stitched Textiles Limited	Trade Payables	-	1,092.17
3	Stitched Textiles Limited	Advances from Customers	98.12	-
4	Varvee Global Limited	Advances to Suppliers	648.16	-
5	Varvee Global Limited	Trade Receivables	283.61	-
6	Namichand Agrawal	Outstanding Loans Payables	0.50	1.00
7	Ravi Niranjan Pandya	Outstanding Loans Payables	-	0.95
8	Ravi Niranjan Pandya	Remuneration Payable	0.35	-
9	Shwetambery Khurana	Remuneration Payable	-	1.01
10	Brand Cluster LLP	Outstanding Loans Payables	-	50.00
11	Brand Cluster LLP	Trade Receivables	200.04	-
12	Dharmesh Tripathi	Remuneration Payable	1.02	-
13	Vaxtex Cotfab Limited	Trade Receivables	0.22	119.06
14	Vax Enterprise Private Limited	Trade Payables	712.71	382.80

31. Contingent Liabilities & Capital Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent Liabilities not provided for		
Claims against the Company not acknowledged as debt		
Interest & Damages under PF Act,1952	-	1.44
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for in accounts	-	48.83

32. Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1) Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans approximate their carrying amounts largely due to short-term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

Fair Value Measurements

Particulars	As at 31 March 2026		As at 31 March 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Cash and Cash Equivalents	-	1.63	-	67.87
Investments	-	1,984.50	-	1,984.50
Trade Receivables	-	1,076.79	-	1,488.74
Loans & advances	-	14.62	-	5.00
Other financial assets	-	61.14	-	57.15
Total Financial Assets	**-**	**3,138.68**	**-**	**3,603.26**
Financial liabilities				
Borrowings	-	390.09	-	420.69
Trade Payable	-	781.07	-	3,078.60
Total Financial Liabilities	**-**	**1,171.16**	**-**	**3,499.29**

(Rupees in Lakhs)

33. Financial risk management objectives and policies

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 Risk Management Committee (RMC) which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's activities expose it to market risk, liquidity risk and credit risk which are measured, monitored and managed to abide by the principles of risk management.

i) Credit Risk

Credit risk arises when a customer defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. The Company's exposure and categorisation of its customers are continuously monitored. Credit exposure is controlled by customer credit limits which are reviewed and approved.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables.

There is no change in estimation techniques or significant assumptions during the reporting period.

ii) Liquidity Risk

The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile remaining contractual maturity period at the reporting date:

Particulars	Carrying Value	Due in Less than 1 Year	Due in More than 1 Year
As at March 31, 2026			
Borrowings	390.09	355.87	34.22
Trade Payables	781.07	781.07	-
	1,171.16	**1,136.94**	**34.22**
As at March 31, 2025			
Borrowings	420.69	305.48	115.21
Trade Payables	3,078.60	3,078.60	-
	3,499.29	**3,384.08**	**115.21**

iii) Market Rate Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The objective of market risk management is to avoid exposure in our foreign currency transactions and interest rate risk.

a) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company has no interest bearing liabilities as on the balance sheet date.

b) Foreign currency risk

During the current financial year the company has not done any transactions with other countries or in other currencies due to which the company is not exposed to any foreign currency risk.

(Rupees in Lakhs)

iv) Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The Company monitors capital using gearing ratio, which is net debt (borrowings less cash and bank balances) divided by total equity.

Net debt-to-equity ratio as of 31st March 2026

Particulars	31st March 2026	31st March 2025
Short Term Borrowings	355.87	305.48
Long Term Borrowings	34.22	115.21
Gross Debt (A)	**390.09**	**420.69**
Less: Cash & Bank Balance	1.63	67.87
Net Debt (B)	**388.46**	**352.82**
Total Equity (C)	**2,606.53**	**2,511.95**
Gearing Ratio (B)/(C)	**14.90%**	**14.05%**

34. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

An Operating Segment is component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

Manufacturing & Trading in Textile is the Company's only business segment ,hence the disclosure of segment wise information as required by Ind AS 108 on "Segment Reporting" is not applicable. Further, there are no export sales and hence there is no reportable secondary segment as per Ind AS 108.

35. Employee Benefits

The provision of gratuity is not made by the Company. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of law, the same will be accounted for cash basis. Also, as per the company's policy, paid absences not utilised for the year are lapsed, hence the provision for the paid absences is not applicable to the company.

36. Audit Trail

The Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

37. Note on New Labour Code

On November 21, 2025, the Government of India notified four new Labour Codes (the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020), consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact arising from changes in regulations and the Company has assessed and accounted for the incremental impact of these changes in accordance with the guidance provided by the Ministry of Labour & Employment and the Institute of Chartered Accountants of India. Based on its assessment, the Company has considered and evaluated the impact of the new Labour Codes and concluded that there is no material impact on its financial statements.

38. Disclosure Regarding Derivative Instruments and Unhedged Foreign Currency Exposure

i) The company does not have any Foreign currency exposures which is not covered by derivative instruments or otherwise as at March 31, 2026 & March 31, 2025.

ii) The Company does not have any outstanding foreign currency derivative contracts as at March 31, 2026 & March 31, 2025 in respect of various types of derivative hedge instruments and nature of risk being hedged.

iii) The Company does not enters into derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

(Rupees in Lakhs)

39. Events Occuring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of the date of signing of this financial statements, there were no subsequent events to be recognised or reported that are not already disclosed.

39. Previous Year's figures have been regrouped and reclassified, wherever necessary to correspond with the current year's classification/disclosure.

40. The Standalone financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors and are subject to final approval by its Shareholders.

As per our report of even date attached

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437DDLZWN2078
Date: 28th May 2026

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Yarn Syndicate Limited

Report on the Indian Accounting Standards (Ind AS) Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Yarn Syndicate Limited ("the Holding Company") and its subsidiary company and associate company (collectively hereinafter referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, 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 for the year ended on that date, and a summary of the 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2021, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2026, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2021 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management and board of directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company in Group or to cease operations, or has no realistic alternative but to do so.

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

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 omission ns, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 Matters

We did not audit the financial statements and other financial information; in respect of the Associate Company whose standalone financial statements include total assets of Rs. 13,452.69 Lakhs as at March 31, 2026, total revenue from operations of Rs. 3,009.87 Lakhs, total net loss after taxes of Rs. 295.15 Lakhs, total comprehensive loss of Rs. 295.15 Lakhs and total net cash inflows of Rs. 404.75 Lakhs for the year ended March 31, 2026, as considered in the consolidated financial statements, whose financial statements and other financial information have been audited by other auditor and whose report is furnished to us by the management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associate Company is based solely on the reports of such other auditors. Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and based on our review of the books and records of the Group and the information and explanations provided to us, we report that the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable, have been appropriately addressed. The Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements do not contain any qualifications or adverse remarks. Accordingly, the requirement to report under clause 3(xxi) of the Order is not applicable to the Holding Company in respect of the consolidated financial statements.

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

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

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

   (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2021, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our audit report expresses an unmodified opinion on the adequacy and operating effectiveness of the group's internal financial controls with reference to the consolidated financial statements.

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

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

i. The Group has disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its financial statements - Refer Note 32 to the consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Companies in Group has not declared or paid dividend during the year.

vi. Based on our examination which included test checks, the Companies in Group has used accounting software 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 respective software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

For, SSRV & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437
Place: Mumbai
Date: May 28, 2026
UDIN: 26403437MWQZEH3052

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

We have audited the internal financial controls over financial reporting of Yarn Syndicate Limited ("the Holding Company) and its subsidiary company and associate company (collectively referred to as "Group") as of March 31, 2026 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management and Board of Directors' Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group;

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 group are being made only in accordance with authorizations of management and directors of the holding company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Other Matters

We did not audit the financial statements of Associate Company. Our aforesaid report under Section 143 of the Act on the adequacy and operating effectiveness of internal financial controls over financial reporting in so far as it relates to Associate Company is based solely on the report of such others auditors. Our Opinion is not qualified in respect of this matter.

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, SSRV & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437
Place: Mumbai
Date: May 28, 2026
UDIN: 26403437MWQZEH3052

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Consolidated Balance Sheet as at March 31, 2026

(Rupees in Lakhs)

Particulars		Notes	As at March 31, 2026	As at March 31, 2025
ASSETS				
Non Current Assets				
Property, Plant and Equipment		3	13.24	111.34
Intangible Assets		3	11.82	0.58
Financial Assets				
Non Current Investments		4	1,655.09	1,802.14
Other Non Current Financial Assets		5	12.54	7.45
Deferred Tax Assets (Net)		6	4.72	-
	Total Non Current Assets		**1,697.41**	**1,921.51**
Current Assets				
Inventories		7	27.60	1,703.14
Financial assets				
Trade Receivables		8	1,076.79	1,488.74
Cash and Cash Equivalents		9	1.63	67.87
Loans and Advances		10	14.62	5.00
Other Financial Assets		11	48.60	49.70
Current Tax Assets (Net)		12	11.94	19.65
Other Current Assets		13	688.48	1,059.16
	Total Current Assets		**1,869.66**	**4,393.26**
	Total Assets		**3,567.07**	**6,314.77**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital		14	1,275.00	1,275.00
Other Equity		15	1,002.12	1,054.59
	Total Equity		**2,277.12**	**2,329.59**
Non Current Liabilities				
Financial liabilities				
Non Current Borrowings		16	34.22	115.21
Deferred Tax Liabilities (Net)		6	-	0.89
	Total Non Current Liabilities		**34.22**	**116.10**
Current liabilities				
Financial liabilities				
Current Borrowings		17	355.87	305.48
Trade payables		18		
Total Outstanding Dues of Micro and Small Enterprises			-	-
Total Outstanding Dues of Creditors other than Micro and Small Enterprises			781.07	3,078.60
Other Current Liabilities		19	118.79	485.00
	Total Current Liabilities		**1,255.73**	**3,869.08**
	Total Liabilities		**1,289.95**	**3,985.18**
	Total Equity & Liabilities		**3,567.07**	**6,314.77**
Material Accounting Policies		2		

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date attached.
For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437MWQZEH3052
Date: 28th May 2026

For and on behalf of the Board of directors of
ASSETS

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(Rupees in Lakhs)

Particulars	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
Income			
Revenue from Operations	20	5,555.78	5,415.97
Other Income	21	166.16	13.90
Total Income		**5,721.94**	**5,429.87**
Expenses			
Cost of Material Consumed	22	2,637.66	4,709.05
Purchases of Stock-in-Trade	23	1,388.27	1,027.94
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	24	930.43	(1,000.73)
Employee benefits expense	25	147.70	247.67
Finance costs	26	-	5.08
Depreciation and Amortisation Expense	3	32.92	14.68
Other Expenses	27	482.67	318.51
Total Expenses		**5,619.65**	**5,322.20**
Profit before Tax		**102.29**	**107.67**
Tax Expenses	28		
Current Tax		18.02	4.70
Tax Adjustment of Earlier Year		(4.70)	-
Deferred Tax		(5.61)	0.89
Total Tax Expenses		**7.71**	**5.59**
Profit after Tax		**94.58**	**102.08**
Share in Profit / (Loss) of Associate Company (Net of Tax)		(147.05)	(182.19)
Profit for the year		**(52.47)**	**(80.11)**
Net profit attributable to:			
Owners of the company		(52.47)	(111.90)
Non controlling interests		-	(17.25)
Loss of Control of Subsidiary		-	(49.04)
Earnings per Share	29		
Basic & Diluted EPS *(Rs. Per Equity Share of Rs. 10 each)*		(0.412)	(0.878)
Material Accounting Policies	**2**		

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date attached.
For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437MWQZEH3052
Date: 28th May 2026

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Consolidated Statement of Cash Flows for the year ended March 31, 2026

(Rupees in Lakhs)

Particulars		For the year Ended 31st March 2026	For the year Ended 31st March 2025
Cash Flow from Operating Activities			
Profit before Tax		102.29	107.67
Adjustments for:			
Depreciation and amortization Expenses		32.92	14.68
Profit on Sale of Property,Plant & Equipment		(35.49)	-
Notional Gain / Loss on Revaluation of Investments		-	(13.89)
Finance Cost		-	5.08
Sundry Balance written off		10.82	8.77
Operating Profit before Working Capital Changes		**110.54**	**122.31**
Changes in Working Capital Adjustments			
(Increase) / Decrease in Inventories		1,675.54	(1,727.00)
(Increase) / Decrease in Trade Receivables		399.80	(1,542.59)
(Increase) / Decrease in Other Financial Assets		(3.99)	(1.28)
(Increase) / Decrease in Other Current Assets		370.68	(788.26)
(Increase) / Decrease in Trade Payables		(2,296.20)	3,027.70
(Increase) / Decrease in Other Financial Liabilities		-	(33.37)
(Increase) / Decrease in Other Current Liabilities		(366.21)	463.24
Cash Generated from / (Used in) Operations		**(109.84)**	**(479.25)**
Less: Income Taxes Paid (Net)		(5.61)	(23.03)
Net Cash Flow Generated from / (Used in) Operating Activities	**[A]**	**(115.45)**	**(502.28)**
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment		(109.92)	(121.32)
Purchase of Intangible Assets		(13.60)	(0.65)
Proceeds from Sale of Property,Plant & Equipments		212.95	-
Loss of Control of Cash & Cash Equivalents		-	(65.36)
Purchase / (Sales) of Investments		-	(38.41)
(Increase) / Decrease in Loans & Advances		(9.62)	102.98
Net Cash Flow Generated from / (Used in) Investing Activities	**[B]**	**79.81**	**(122.76)**
Cash Flow from Financing Activities			
Proceeds from / (Repayment of) Short term Borrowings		50.39	312.61
Finance Cost Paid		-	(5.08)
Proceeds from Non Current Borrowings		118.92	115.21
Repayments of Non Current Borrowings		(199.91)	-
Net Cash Flow Generated from / (Used in) Financing Activities	**[C]**	**(30.60)**	**422.74**
Net Changes in Cash & Cash Equivalents [A+B+C]		(66.24)	(202.30)
Cash & Cash Equivalents at the beginning of the year		67.87	270.17
Cash & Cash Equivalents at the end of the year		**1.63**	**67.87**

Notes:

1. The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows.

2. Amount in bracket indicates cash outflow.

3. Reconciliation of Cash & Cash Equivalents as per Consolidated Statement of Cash Flows:

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Consolidated Statement of Cash Flows for the year ended March 31, 2026

(Rupees in Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
Cash on Hand	0.19	0.49
Balances with banks		
In Current Account	1.44	67.38
	1.63	**67.87**

4. Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

For the year ended 31st March 2026

Particulars	As at April 01, 2025	Cash Flow Changes	Non Cash Changes	As at 31st March 2026
Non Current Borrowings	115.21	(80.99)	-	34.22
Current Borrowings	305.48	50.39	-	355.87
	420.69	**(30.60)**	**-**	**390.09**

For the year ended 31st March 2025

Particulars	As at April 01, 2024	Cash Flow Changes	Non Cash Changes	As at 31st March 2025
Non Current Borrowings	-	115.21	-	115.21
Current Borrowings	1,934.03	312.61	(1,941.16)	305.48
	1,934.03	**427.82**	**(1,941.16)**	**420.69**

The accompanying notes are an integral part of these financial statements

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Mumbai
UDIN: 26403437MWQZEH3052
Date: 28th May 2026

Place: Ahmedabad
Date: 28th May 2026

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

(Rupees in Lakhs)

A. Equity Share Capital

Particulars	Number of Shares	Amount
Balance as at 1st April, 2024	2,17,50,000	1,275.00
Changes in Equity Share Capital during the current year	-	-
Changes in Equity Share Capital due to prior period errors	-	-
Balance as at 31st March, 2025	**2,17,50,000**	**1,275.00**
Changes in Equity Share Capital during the current year	-	-
Changes in Equity Share Capital due to prior period errors	-	-
Balance as at 31st March, 2026	**2,17,50,000**	**1,275.00**

B. Other Equity

Particulars	Reserves & Surplus		Total
	Securities Premium Account	Retained earnings	
Balance as at 1st April, 2024	**1,946.33**	**(779.50)**	**1,166.83**
Profit / (Loss) for the year	-	(80.11)	**(80.11)**
Less: Profit / (Loss) in relation to Non Controlling Interest	-	17.25	**17.25**
Total Comprehensive Income for the year	**-**	**(62.86)**	**(62.86)**
	1,946.33	**(842.36)**	**1,103.97**
Less: Reduction on Account of Loss of Control of Subsidiary	-	(49.04)	**(49.04)**
Balance as at 31st March, 2025	**1,946.33**	**(891.40)**	**1,054.93**
Profit / (Loss) for the year	-	(52.47)	**(52.47)**
Less: Profit / (Loss) in relation to Non Controlling Interest	-	-	-
Total Comprehensive Income for the year	**-**	**(52.47)**	**(52.47)**
Balance as at 31st March, 2026	**1,946.33**	**(943.87)**	**1,002.46**

As per our report of even date attached

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437MWQZEH3052
Date: 28th May 2026

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026

1. Corporate Information

Yarn Syndicate Limited ("the Company") is a public limited Company having its registered office at **188/2, Ranipur Village, Opp. CNI Church, Narol, Ahmedabad, Gujarat, India - 382405.** The Company is engaged in the business of manufacturing and trading of textiles.

2. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

These financial statements have been prepared in accordance with Ind-AS as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as required by the applicable accounting standards.

The financial statements are presented in Indian rupees (INR) and all amounts are rounded to the nearest lakhs, except otherwise indicated. Amount less than Rs. 500 are indicated as "0.00" in the financial statements.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Basis of Consolidation

i) Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity's relevant activities. Subsidiaries are consolidated from the date control is acquired and are deconsolidated from the date control ceases.

The Group applies the acquisition method of accounting for business combinations. Consolidation is performed on a line-by-line basis by aggregating like items of assets, liabilities, equity, income, expenses, and cash flows. Intra-group transactions, balances, and unrealised gains and losses are eliminated in full, unless they provide evidence of impairment.

Non-controlling interests (NCI) are presented separately in the Consolidated Financial Statements and represent the portion of net assets and profit or loss not attributable to the parent. Profit or loss and each component of OCI are attributed to the parent and NCI, even if this results in NCI having a deficit balance.

ii) Associate Company

An associate is an entity over which the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The investment in an associate is accounted for using the **equity method**. It is initially recognised at cost and subsequently adjusted to recognise the Group's share of the associate's post-acquisition profits or losses and other comprehensive income, until the date significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment.

When the Group's share of losses equals or exceeds its interest in the associate (including long-term interests forming part of the net investment), further losses are not recognised unless the Group has incurred obligations or made payments on behalf of the associate. Unrealised gains and losses on transactions with the associate are eliminated to the extent of the Group's interest, unless they indicate impairment.

At each reporting date, the Group assesses whether there is any indication of impairment in the investment in associate and recognises an impairment loss if necessary. On loss of significant influence, any retained interest is measured at fair value, and the difference between the carrying amount and fair value is recognised in profit or loss.

The List of group companies included in the consolidated financial statements other than the Holding Company are as under:

Name of Company	% of Holding	Relationship	Country of Incorporation	Method of Accounting
Stitched Textiles Limited	49.82%	Associate Company	India	Equity Method

Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

Investments

Long term investments are stated at cost less provision for diminution in value other than temporary, If any. Current investments are valued at lower of cost and fair value determined on an individual investment basis.

Fair Value Measurement

The Company classifies its financial assets in the following measurement categories:
i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss).
ii) Those measured at amortised cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue Recognition

Revenue from contract with customer is recognised upon transfer of control of promised products or services to customers on complete satisfaction of performance obligations for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sales of Goods

Revenue from the sale of goods is recognized when all significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services

Revenue from services rendered is recognised when the work is performed as per the performance obligations specified in the customer agreements.

Interest Income

Interest income is included in other income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate when there is a reasonable certainty as to realization.

Property, Plant and Equipment

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of asset or recognized as a separate asset, as appropriate, only when 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. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is charged on ***Written Down Value Method***. Depreciations are charged over the estimated useful lives of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis from/till the date they are put to commercial use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

Depreciation on additions/deletions to Property plant and equipment during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

The estimated useful lives of assets are as under:

Name of Asset	Useful life
Plant & Machinery	15 Years
Office Equipment	5 Years
Furniture & Fixtures	10 Years
Electrical Installations	10 Years
Computer Equipment	3 Years
Computer Software	5 Years

Inventories

Cost of Inventories is arrived at on First-In First-Out (FIFO) basis and valued at cost or net realizable value whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Income Taxes

Tax on Income comprises current tax and deferred tax. These are recognized in Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions where appropriate.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Earnings Per Share (EPS)

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

Diluted earnings per share is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of equity shares, for the effects of all diluted potential equity shares.

Changes in Accounting Estimates and Errors

The financial statements have been prepared in accordance with Ind AS 8. The Company selects and applies accounting policies consistently for similar transactions to ensure comparability. Changes in accounting policies are applied retrospectively unless specified otherwise. Changes in estimates are recognized prospectively. Prior period errors, if any, are corrected retrospectively in the financial statements.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of obligation cannot be made. Contingent assets are not recognized in the financial statements.

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.

Financial Assets

Initial recognition and measurement

All financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Classification

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value through other comprehensive income (OCI). Changes in fair values are recognized in OCI and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest income calculated using EIR and impairment loss, if any, are recognized in the Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognized in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing for financial assets.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivable, trade receivable other contractual rights to receive cash or other financial assets. For trade receivable, the Company measures the loss allowance at an amount equal to life time expected credit losses. Further, for the measuring life time expected credit losses allowance for trade receivable the Company has used a practical expedient as permitted under Indian AS 109. This expected credit loss allowance is computed based on provisions, matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at amortized cost unless at initial recognition, they are classified as fair value through profit or loss. In case of trade payables, they are initially recognizing at fair value and subsequently, these liabilities are held at amortized cost, using the Effective interest method.

Classification and subsequent measurement
Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

De-recognition
A financial liability is derecognized 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 subsequently different terms, or the terms of an existing liability are subsequently modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amount is recognize in the Statement of Profit & Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Recent accounting 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. During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 applicable to the company w.e.f. 1st April, 2025.

Amendments to Ind AS 21 - Lack of exchangeability
The amendment requires the Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1st April 2025. When applying the amendments, an entity cannot restate comparative information. The amendments do not have a material impact on the financial statements.

Amendments to Ind AS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification in addition; a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments do not have an impact on the Financial Statements.

Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements
MCA via notification dated 13 August 2025 announced amendments to Ind AS 7 – "Statement of Cash Flows" and Ind AS 107 "Financial Instruments: Disclosures" which introduced disclosure requirements with the

objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk.

The amendments do not have an impact on the Financial Statements.

International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

MCA via notification dated 13 August 2025 announced amendments to Ind AS 12 "Income Taxes" which includes:

• a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pilar Two model rules; and

• additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

The amendments do not have an impact on the Financial Statements.

Amendments to Ind AS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision 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 on the reporting date, the entity does not classify the liability as current, 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.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

This amendment is not expected to have an impact on the Financial Statements.

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

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

(Rupees in Lakhs)

3. Property, Plant and Equipment & Intangible Assets

Particulars	Property, Plant and Equipment								Intangible Assets
	Freehold Land	Buildings	Plant & Machinery	Electric Equipment	Computer	Furniture & Fittings	Office Equipment	Total	Computer Software
Original Cost									
Balance as at 1st April 2024	**5.58**	**218.45**	**13.68**	**39.41**	**19.38**	**186.93**	**15.25**	**498.68**	**36.72**
Additions	-	-	86.60	12.29	5.80	12.25	4.39	**121.33**	0.65
Reduction on Account of Loss of Control of Subsidiary		(217.83)	(13.68)	(40.98)	(17.83)	(187.19)	(15.35)	**(492.86)**	(36.73)
Disposals & Adjustments	(5.58)	(0.62)	-	-	(2.60)	-	-	**(8.80)**	-
Balance at 31 March 2025	**-**	**- 0.00**	**86.60**	**10.71**	**4.75**	**11.98**	**4.29**	**118.33**	**0.65**
Additions			108.81		0.24	-	0.87	**109.92**	13.60
Disposals & Adjustments			(195.41)	(9.59)	-	-	-	**(205.00)**	-
Balance at 31st March 2026	**-**	**- 0.00**	**-**	**1.12**	**4.99**	**11.98**	**5.16**	**23.25**	**14.25**
Accumulated Depreciation									
Balance at 1 April 2024	**-**	**13.60**	**3.27**	**6.86**	**6.23**	**33.86**	**3.90**	**67.72**	**11.86**
Depreciation for the year	-	1.33	4.35	1.46	0.95	4.07	1.29	**13.45**	1.23
Reduction on Account of Loss of Control of Subsidiary	-	(14.93)	(3.41)	(7.55)	(4.24)	(37.06)	(4.40)	**(71.59)**	(13.02)
Eliminated on disposal of assets	-	-	-	-	(2.59)	-	-	**(2.59)**	-
Balance at 31 March 2025	**-**	**-**	**4.21**	**0.78**	**0.34**	**0.87**	**0.79**	**6.99**	**0.07**
Depreciation for the year	-	-	20.86	2.01	2.91	2.88	1.90	30.56	2.36
Eliminated on disposal of assets	-		(25.07)	(2.47)	-	-	-	(27.54)	-
Balance at 31 March 2026	**-**	**-**	**-**	**0.32**	**3.25**	**3.75**	**2.69**	**10.01**	**2.43**
Carrying Amount									
Balance at 31 March 2026	-	(0.00)	-	0.80	1.74	8.23	2.47	**13.24**	11.82
Balance at 31 March 2025	-	(0.00)	82.39	9.93	4.41	11.11	3.50	**111.34**	0.58

(Rupees in Lakhs)

4. Non Current Investments	As at March 31, 2026	As at March 31, 2025
Investment in Equity Instruments		
Quoted (Fair Value through Profit & Loss)		
Associate company		
6,30,00,000 Equity shares of Stitched Textiles Limited having Face Value of Rs. 10 Each	1,984.50	1,984.50
Proportionate Share of Loss from Associate Company		
Opening Balance	(182.36)	-
Less: Proportionate Share of Loss from Associate Company	(147.05)	(182.19)
Less: Other Adjustments	-	(0.17)
Closing Balance	**(329.41)**	**(182.36)**
	1,655.09	**1,802.14**

5. Other Non Current Financial Assets	As at March 31, 2026	As at March 31, 2025
Bank Deposits having Original Maturity more than 12 Months	5.09	-
Statutory Receivables under Litigation		
Pre-Deposit for Appeal Under GST Act	7.45	7.45
	12.54	**7.45**

6. Deferred Tax Assets (Net) / Deferred Tax Liabilities (Net)	As at March 31, 2026	As at March 31, 2025
Deferred Tax Assets		
Depreciation on Property, Plant & Equipment & Intangible Assets	0.35	-
Carried Forward Losses	4.37	-
Deferred Tax Liabilities		
Depreciation on Property, Plant & Equipment & Intangible Assets	-	0.89
	4.72	**(0.89)**

Notes:

Movement in Deferred Tax Assets (Net) for the year ended March 31, 2026:

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	As at March 31, 2026
Tax effect of items constituting Deferred Tax Assets / (Liabilities):				
Property, Plant & Equipment & Intangible Assets	(0.89)	1.24	-	**0.35**
Carried Forward Losses	-	4.37	-	**4.37**
Total	**(0.89)**	**5.61**	**-**	**4.72**

Movement in Deferred Tax Assets (Net) for the year ended March 31, 2025:

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	As at March 31, 2025
Tax effect of items constituting Deferred Tax Assets / (Liabilities):				
Property, Plant & Equipment & Intangible Assets	-	(0.89)	-	**(0.89)**
Total	**-**	**(0.89)**	**-**	**(0.89)**

7. Inventories	As at March 31, 2026	As at March 31, 2025
(Valued at lower of cost and net realizable value)		
Raw Materials & Components	10.48	755.59
Work in Progress	-	356.17
Finished Goods & Stock In Trade	17.12	591.38
	27.60	**1,703.14**

8. Trade Receivables	As at March 31, 2026	As at March 31, 2025
Unsecured		
Trade Receivables - Considered Good	1,076.79	1,488.74
Trade Receivables - Considered Doubtful	145.01	145.01
	1,221.80	**1,633.75**
Less: Allowance for Doubtful Debts	(145.01)	(145.01)
	1,076.79	**1,488.74**

(Rupees in Lakhs)

Trade Receivables Ageing as at 31st March 2026

Particulars	Outstanding for the following periods from date of transaction					
	Less Than 6 months	6 Months-1 years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables						
Considered Good	800.64	189.31	86.85	-	-	**1,076.79**
Considered Doubtful	-	-	-	-	145.01	**145.01**
Total	**800.64**	**189.31**	**86.85**	**-**	**145.01**	**1,221.80**
Less: Allowance for Doubtful Debts						(145.01)
Total						**1,076.79**

Trade Receivables Ageing as at 31st March 2025 -

Particulars	Outstanding for the following periods from date of transaction					
	Less Than 6 months	6 Months-1 years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables						
Considered Good	1,337.63	32.05	119.06	-	-	**1,488.74**
Considered Doubtful	-	-	-	-	145.01	**145.01**
Total	**1,337.63**	**32.05**	**119.06**	**-**	**145.01**	**1,633.75**
Less: Allowance for Doubtful Debts						(145.01)
Total						**1,488.74**

9. Cash and Cash Equivalents	**As at March 31, 2026**	**As at March 31, 2025**
Cash in Hand	0.19	0.49
Balances with Banks		
In Current Accounts	1.44	67.38
	1.63	**67.87**

10. Loans and Advances	**As at March 31, 2026**	**As at March 31, 2025**
(Unsecured, Considered Good)		
Advances recoverable in Cash or kind		
To Others	14.62	5.00
	14.62	**5.00**

11. Other Financial Assets	**As at March 31, 2026**	**As at March 31, 2025**
Security Deposits	48.60	49.70
	48.60	**49.70**

12. Current Tax Assets (Net)	**As at March 31, 2026**	**As at March 31, 2025**
Advance Income Tax Paid (Incl. TDS & TCS Receivable)	29.96	24.35
Less: Provision for Income Tax	(18.02)	(4.70)
	11.94	**19.65**

13. Other Current Assets	**As at March 31, 2026**	**As at March 31, 2025**
Advances for Capital Goods	-	43.17
Advances to Suppliers	672.04	807.22
Balances with Government Authorities	16.00	208.55
Prepaid Expenses	0.44	0.22
	688.48	**1,059.16**

(Rupees in Lakhs)

14. Equity Share Capital	**As at March 31, 2026**	**As at March 31, 2025**
A. Authorised Share Capital		
2,20,00,000 Equity Shares of Rs. 10 each	2,200.00	2,200.00
B. Issued, Subscribed and Fully Paid up Share Capital		
37,50,000 Equity Shares of Rs. 10 each	375.00	375.00
C. Issued, Subscribed and Partly Paid up Share Capital		
1,80,00,000 Equity Shares of Rs. 10 each, Rs. 5 paid up	900.00	900.00
	1,275.00	**1,275.00**

D. Reconciliation of number of Shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	2,17,50,000	1,275.00	2,17,50,000	1,275.00
Add: Issued during the year (Refer Note Below)	-	-	-	-
Outstanding at the end of the year	**2,17,50,000**	**1,275.00**	**2,17,50,000**	**1,275.00**

E. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Somani Ventures and Innovations Limited	22,95,523	10.55%	22,57,512	10.38%
Sanjay Karanraj Sakaria	22,69,000	10.43%	19,27,686	8.86%
Ravi Niranjan Pandya	11,90,534	5.47%	11,90,555	5.47%
Vismay Amitkumar Shah	2,34,114	1.08%	10,17,575	4.68%

F. Details of promoters shareholding and percentage of Change

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Change during the year	No. of Shares	% Change during the year
Ravi Niranjan Pandya	11,90,534	(0.00%)	11,90,555	(18.66%)

G. The Company has only one class of Equity Shares having a par value of Rs. 10.00 per share and each holder of the Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

H. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

(Rupees in Lakhs)

15. Other Equity	As at March 31, 2026	As at March 31, 2025
Securities Premium		
Opening Balance	1,946.33	1,946.33
Add: Amount received during the year	-	-
Less: Amount Utilised during the year	-	-
	1,946.33	**1,946.33**
Retained Earnings		
Opening Balance	(891.74)	(779.50)
Add: Profit/(Loss) for the year	(52.47)	(62.86)
Less: Other Adjustments	-	(0.34)
Less: Reduction on Account of Loss of Control of Subsidiary	-	(49.04)
	(944.21)	**(891.74)**
	1,002.12	**1,054.59**

<u>Nature and Purpose of Reserves:</u>

Securities Premium

Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with 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 shareholders. Retained earnings represent the amount that can be distributed as dividend considering the requirements of the Companies Act, 2013. During the year, no dividends are distributed to the equity shareholders by the Company.

16. Non Current Borrowings	As at March 31, 2026	As at March 31, 2025
Unsecured		
Inter Corporate Deposits	34.22	115.21
	34.22	**115.21**

(Rupees in Lakhs)

17. Current Borrowings	As at March 31, 2026	As at March 31, 2025
Secured		
Bank Overdrafts Repayable on Demand	2.09	-
(Secured against Fixed deposit)		
Unsecured		
Inter Corporate Deposits	18.71	18.71
From Related Parties	99.75	50.95
From Others	235.32	235.82
	355.87	**305.48**

Note: The above loans are interest free & are repayable on demand.

18. Trade payables	As at March 31, 2026	As at March 31, 2025
Dues to Micro and Small Enterprises	-	-
Dues to Others	781.07	3,078.60
	781.07	**3,078.60**

Trade Payables Ageing as at 31st March 2026

Particulars	Outstanding for the following periods from date of transaction				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Payables					
Dues to Micro and Small Enterprises	-	-	-	-	**-**
Dues to Others	757.59	23.48	-	-	**781.07**
Total	**757.59**	**23.48**	**-**	**-**	**781.07**

Trade Payables Ageing as at 31st March 2025

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Payables					
Dues to Micro and Small Enterprises	-	-	-	-	**-**
Dues to Others	3,078.60	-	-	-	**3,078.60**
Total	**3,078.60**	**-**	**-**	**-**	**3,078.60**

Disclosure under Section 22 of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

Based on the intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 by the company, disclosures as required under Section 22 of Act are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note: The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Financial Statements based on the information received and available with the group. The Group has not received any claim for interest from any supplier as at the balance sheet date. These facts has been relied upon by the auditors.

19. Other Current Liabilities	As at March 31, 2026	As at March 31, 2025
Statutory Dues Payable	16.57	5.46
Payable to Employees	1.85	26.27
Advances from Customers	100.37	453.27
	118.79	**485.00**

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

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

(Rupees in Lakhs)

20. Revenue from Operations	For the year ended 31st March 2026	For the year ended 31st March 2025
Sale of Products		
Domestic Sale	4,134.10	4,083.76
Export Sale	56.69	-
Sale of Services	1,222.60	1,270.41
Other Operating Revenues	142.39	61.80
	5,555.78	**5,415.97**

21. Other Income	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest Income		
Interest on Income Tax Refund	1.33	0.01
Interest from Others	3.25	-
Interest from Fixed Deposit	0.09	-
Notional Gain / Loss on Revaluation of Investments	-	13.91
Gain / Loss on Sales of Investments	-	(0.02)
Profit on Sale of Property,Plant & Equipment	35.49	-
Income From Surrender Of Tenancy Rights	126.00	-
	166.16	**13.90**

22. Cost of Material Consumed	For the year ended 31st March 2026	For the year ended 31st March 2025
Opening Stock	755.59	-
Add: Purchases during the year	1,768.66	5,168.14
Add: Stock-in-trade consumed in production process	-	29.33
Less: Closing Stock	(10.48)	(755.59)
	2,513.77	**4,441.88**
Add: Direct Expenses	123.89	267.17
	2,637.66	**4,709.05**

23. Purchases of Stock-in-Trade	For the year ended 31st March 2026	For the year ended 31st March 2025
Purchase of Stock-In-Trade	1,388.27	1,027.94
	1,388.27	**1,027.94**

24. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	For the year ended 31st March 2026	For the year ended 31st March 2025
Inventories at the beginning of year		
Work-in-Progress	356.17	-
Finished Goods & Stock-In-Trade	591.38	5,004.52
Inventories as at the date of loss of control of subsidiaries		
Finished Goods & Stock-In-Trade	-	(5,057.70)
Inventories at the end of year		
Work-in-Progress	-	(356.17)
Finished Goods & Stock-In-Trade	(17.12)	(591.38)
	930.43	**(1,000.73)**

25. Employee benefits expense	For the year ended 31st March 2026	For the year ended 31st March 2025
Salaries, Wages and Bonus	136.43	247.67
Director Remuneration	11.27	-
	147.70	**247.67**

26. Finance costs	For the year ended 31st March 2026	For the year ended 31st March 2025
Finance Costs	-	4.67
Bank Charges	-	0.41
	-	**5.08**

(Rupees in Lakhs)

27. Other Expenses	For the year ended 31st March 2026	For the year ended 31st March 2025
Repairs and Maintenance Expenses	26.16	44.98
Coal Expense	320.57	-
Packing Material Consumption	-	-
Transportation Expenses	23.01	28.39
Insurance Expenses	-	-
Rent Expenses	13.68	43.59
Security Expenses	15.29	16.46
Electricity Expenses	0.25	3.12
Legal and Professional Expenses	15.85	19.29
Payment to Auditors		
Statutory Audit Fees	-	-
Other Assurance Services	1.39	1.08
Directors Sitting Fees	0.80	0.93
Office Expenses	-	9.00
Travelling and Conveyance Expenses	1.94	1.44
Printing & Stationery Expenses	3.46	3.41
Testing Expenses	0.02	0.49
Advertisement Expenses	11.44	1.17
Commission Expenses	34.41	132.21
Communication Cost	0.41	1.74
Donation Expenses	-	0.10
Sundry Balances written off	10.82	8.10
Miscellaneous Expenses	1.63	3.01
Interest, Penalty and Late fees expenses	1.54	-
	482.67	**318.51**

28. Tax Expenses	For the year ended 31st March 2026	For the year ended 31st March 2025
Current Tax		
Current Income Tax Charge	18.02	4.70
Tax Adjustment for earlier years	(4.70)	-
	13.32	**4.70**
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(5.61)	0.89
	(5.61)	**0.89**
Total Tax Expenses	**7.71**	**5.59**

Reconciliation of effective tax rate

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Profit Before Tax as per Statement of Profit & Loss	**102.29**	**107.67**
Less: (Profit) / Loss of Subsidiary		35.07
Profit Before Tax as per Statement of Profit & Loss	**102.29**	**142.74**
Applicable Tax Rate for Corporate Entity as per Income Tax Act, 1961	25.17%	25.17%
Income tax using the Company's applicable tax rate	**25.74**	**35.92**
Tax Effect of:		
Expenses permanently disallowed from Income Tax	0.39	0.03
Tax Impact of Rate Difference on Special Rate Income	(13.69)	-
Other Adjustments	(4.72)	(30.36)
	7.71	**5.59**

29. Earnings per Share		For the year ended 31st March 2026	For the year ended 31st March 2025
Basic & Diluted Earnings Per Share			
Profit for the year attributable to Equity Shareholders	(Rupees in Lakhs)	(52.47)	(111.90)
Weighted Average Number of Equity Shares Outstanding during the year	(Numbers)	1,27,50,000	1,27,50,000
Nominal Value per Share	(Rupees)	10.00	10.00
Basic Earnings Per Share	(Rupees)	(0.412)	(0.878)

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

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

30. Additional Regulatory Requirements

(A) Ratios

Sr. No.	Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	Unit	% Change in Ratio	Reason for Changes more than 25%
1	Current Ratio	Total Current Assets	Total Current Liabilities	**1.49**	**1.14**	Times	31.13%	Due to decrease in current assets & liabilities during the year.
				1,869.66	4,393.26			
				1,255.73	3,869.08			
2	Debt Equity Ratio	Total Debt	Shareholders' Equity	**0.17**	**0.18**	Times	(5.14%)	NA
				390.09	420.69			
				2,277.12	2,329.59			
3	Debt Service Coverage Ratio	Not Applicable						
4	Return on Equity	Net Profit After Tax	Average Shareholders' Equity	**4.11%**	**3.46%**	%	18.67%	NA
				94.58	102.08			
				2,303.36	2,950.24			
5	Inventory Turnover Ratio	Sales	Average Inventory	**6.42**	**1.61**	Times	299.30%	Due to decrease in average inventory for the year.
				5,555.78	5,415.97			
				865.37	3,368.50			
6	Trade Receivables Turnover Ratio	Sales	Average Trade Receivables	**4.33**	**2.96**	Times	46.51%	Due to decrease in average trade receivables for the year.
				5,555.78	5,415.97			
				1,282.77	1,832.14			
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	**1.88**	**1.42**	Times	32.12%	Due to decrease in Purchases during the year.
				3,624.50	6,504.02			
				1,929.84	4,575.28			
8	Net Capital Turnover Ratio	Sales	Average Working Capital	**9.76**	**7.18**	Times	35.96%	Due to decrease in current assets & liabilities during the year.
				5,555.78	5,415.97			
				569.06	754.20			
9	Net Profit Ratio	Net Profit	Sales	**1.70%**	**1.88%**	%	(9.68%)	NA
				94.58	102.08			
				5,555.78	5,415.97			
10	Return on Capital Employed	Earnings before Interest & Taxes	Capital Employed	**3.84%**	**4.10%**	%	(6.42%)	NA
				102.29	112.75			
				2,667.21	2,751.17			
11	Return on Investment	Not Applicable						

(B) Other Statutory Information

1. There are no proceedings initiated or pending against the group under Section 24 of The Prohibition of Benami Property, 1988 and rules made thereunder for holding any benami property.
2. The group entities has not been declared wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.
3. The group does not have any transactions with struck off under Section 248 of the Companies Act, 2013.
4. There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
5. The group has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.
6. The group has not entered into any scheme of arrangement in terms of Section 230 to 237 of the Companies Act, 2013.
7. The group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kinds of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the intermediary shall, whether directly or indirectly lend or invest in other person / entities identified in any manner whatsoever by or on behalf of the group("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of Ultimate Beneficiaries.
8. The Group has not received any fund from any other person or entity, including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the group shall directly or indirectly lend or invest in other person / entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of Ultimate
9. The Group does not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in tax assessments under the Income Tax Act, 1961.
10. The Group has not traded or invested in Crypto Currency or Virtual Currency during the reporting periods.
11. The Group has not been sanctioned working capital limit in form of term loans and overdraft facilities.
12. There are no immovable property in the books of the group whose title deed is not held in the name of the group.

(Rupees in Lakhs)

31. Related Party Disclosures

The group has identified related parties and transactions entered with them as required by Ind AS - 24 issued by ICAI as below:

(i) Name of related parties and description of relationship where control exists

Sr. No.	Name of Related Party	Relationship
[A]	**Related Parties of Holding Company**	
1	Stitched Textile Limited	Associate Company (From 8th June 2024)
2	Ravi Niranjan Pandya	Promotor & Managing Director
3	Chetan Kumar Ojha	Director (Up to 15th February 2025)
4	Tarachand Gangasahay Agrawal	Director (From 14th February 2025)
5	Mithleshkumar M Agrawal	Director (From 11th March 2025)
6	Nidhi Bansal	Independent Director
7	Nandish Jani	Independent Director (Up to 20th February 2025)
8	Rahul Hareshbhai Modi	Independent Director (From 14th February 2025)
9	Dharmesh Tripathi	Chief Financial Officer
10	Shwetambery Khurana	Company Secretary (From 18th July 2024)
11	Brand Cluster LLP	Director is Partner (From 14th February 2025)
12	Vaxtex Cotfab Limited	Director is Promotor (From 11th March 2025)
13	Varvee Global Limited	Director is Director (From 05th July 2025)
14	Stitched Broking Securities Private Limited	Director is Director (From 14th February 2025)
15	Vax Enterprise Private Limited	Director is Director (From 11th March 2025)
[B]	**Related Parties of Subsidiary Company (From 9th March 2024, Up to 8th June 2024)**	
16	Jaimin Kailash Gupta	Managing Director
17	Chetan Kumar Ojha	Director
18	Rushabh Anilkumar Shah	Independent Director
19	Premaram Jaitaram Patel	Independent Director
20	Bharti Gupta	Relative of Managing Director
21	Kresha Gupta	Relative of Managing Director
22	Brand Cluster LLP	Managing Director is Partner
23	Vaxtex Cotfab - Partnership Firm	Managing Director is Partner
24	Gupta KK & Associates	Relative of Managing Director is Proprietor
25	Steptrade Share Services Private Limited	Relative of Managing Director is Director and having substantial Interest
26	Stephead Advisors Private Limited	Relative of Managing Director is Director and having substantial Interest
27	Urra Happy Life Creation Pvt Ltd	Managing Director is Director
28	Dizaynio Creative Studio Pvt Ltd	Managing Director is having substantial interest

Yarn Syndicate Limited

(CIN: L51109GJ1946PLC153972)

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

(Rupees in Lakhs)

(ii) Transactions with Related Parties

Sr. No.	Name of Related Party	Transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Chetan Kumar Ojha	Remuneration	-	10.10
2	Chetan Kumar Ojha	Loans Given Received Back	-	0.72
3	Dharmesh Tripathi	Remuneration	9.31	-
4	Jaimin Kailash Gupta	Loans Given Received Back	-	150.00
5	Nandish Jani	Directors' Sitting Fees	-	0.37
6	Nidhi Bansal	Directors' Sitting Fees	0.40	0.41
7	Premaram Jaitaram Patel	Directors' Sitting Fees	-	0.18
8	Priya Singh	Remuneration	-	0.35
9	Rahul Hareshbhai Modi	Directors' Sitting Fees	0.40	0.15
10	Ravi Niranjan Pandya	Loans Repaid	0.95	2.00
11	Ravi Niranjan Pandya	Remuneration	13.73	-
12	Shwetambery Khurana	Remuneration	14.81	9.07
13	Tarachand Gangasahay Agrawal	Remuneration	2.80	-
14	Varvee Global Limited	Purchases of Service	1,197.53	-
15	Varvee Global Limited	Purchases of Goods (Refer Note below)	(55.46)	-
16	Varvee Global Limited	Sales of Goods	375.73	-
17	Varvee Global Limited	Rent Expense	9.50	-
18	Varvee Global Limited	Sale of Property, Plant & Equipment	212.95	-
19	Brand Cluster LLP	Loans Repaid	50.00	-
20	Brand Cluster LLP	Sales of Goods	238.13	-
21	Namichand Agrawal	Loans Repaid	0.50	-
22	Stephead Advisors Private Limited	Expenses incurred by Group on behalf of entity	-	0.10
23	Steptrade Share Services Private Limited	Loans Given Received Back	-	50.00
24	Steptrade Share Services Private Limited	Expenses incurred by Group on behalf of entity	-	0.01
25	Vaxtex Cotfab Limited	Sales of Goods	239.74	-
26	Vaxtex Cotfab Limited	Purchases of Goods	290.56	-
27	Stitched Textiles Limited	Purchases of Goods	-	431.88
28	Stitched Textiles Limited	Sales of Service	0.34	-
29	Stitched Textiles Limited	Commission Income	100.00	-
30	Stitched Textiles Limited	Sales of Goods	208.83	226.02
31	Vax Enterprise Private Limited	Purchases of Goods	272.09	285.72

Note: Negative Purchases of Goods represents Purchase Return during the year.

(iii) Outstanding Balances at the end of the year

Sr. No.	Name of Related Party	Nature of Balances	As at March 31, 2026	As at March 31, 2025
1	Brand Cluster LLP	Outstanding Loans Payables	-	50.00
2	Brand Cluster LLP	Trade Receivables	200.04	-
3	Varvee Global Limited	Advances to Suppliers	648.16	-
4	Varvee Global Limited	Trade Receivables	283.61	-
5	Namichand Agrawal	Outstanding Loans Payables	0.50	1.00
6	Ravi Niranjan Pandya	Outstanding Loans Payables	-	0.95
7	Ravi Niranjan Pandya	Remuneration Payable	0.35	-
8	Dharmesh Tripathi	Remuneration Payable	1.02	-
9	Shwetambery Khurana	Remuneration Payable	-	1.01
10	Stitched Textiles Limited	Trade Receivables	-	237.14
11	Stitched Textiles Limited	Trade Payables	-	1,092.17
12	Stitched Textiles Limited	Advances from Customers	98.12	-
13	Vaxtex Cotfab Limited	Trade Receivables	0.22	119.06
14	Vax Enterprise Private Limited	Trade Payables	712.71	382.80

(Rupees in Lakhs)

32. Contingent Liabilities & Capital Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent Liabilities not provided for		
Claims against the Group not acknowledged as debt		
Interest & Damages under PF Act,1952	-	1.44
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for in accounts	-	48.83

33. Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1) Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans approximate their carrying amounts largely due to short-term maturities of these instruments.

2) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

Fair Value Measurements

Particulars	As at 31 March 2026		As at 31 March 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Cash and Cash Equivalents	-	1.63	-	67.87
Investments	-	1,655.09	-	1,802.14
Trade Receivables	-	1,076.79	-	1,488.74
Loans & advances	-	14.62	-	5.00
Other Financial assets	-	61.14	-	57.15
Total Financial Assets	**-**	**2,809.27**	**-**	**3,420.90**
Financial liabilities				
Borrowings	-	390.09	-	420.69
Trade Payable	-	781.07	-	3,078.60
Other Financial liabilities	-	-	-	-
Total Financial Liabilities	**-**	**1,171.16**	**-**	**3,499.29**

34. Financial risk management objectives and policies

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 Risk Management Committee (RMC) which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's activities expose it to market risk, liquidity risk and credit risk which are measured, monitored and managed to abide by the principles of risk management.

(Rupees in Lakhs)

i) Credit Risk

Credit risk arises when a customer defaults on its contractual obligations to pay, resulting in financial loss to the group. The Group has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. The Group's exposure and categorisation of its customers are continuously monitored. Credit exposure is controlled by customer credit limits which are reviewed and approved.

The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables.

There is no change in estimation techniques or significant assumptions during the reporting period.

ii) Liquidity Risk

The board of directors has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile remaining contractual maturity period at the reporting date:

Particulars	Carrying Value	Due in Less than 1 Year	Due in More than 1 Year
As at March 31, 2026			
Borrowings	390.09	355.87	34.22
Trade Payables	781.07	781.07	-
	1,171.16	**1,136.94**	**34.22**
As at March 31, 2025			
Borrowings	420.69	305.48	115.21
Trade Payables	3,078.60	3,078.60	-
	3,499.29	**3,384.08**	**115.21**

iii) Market Rate Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The objective of market risk management is to avoid exposure in our foreign currency transactions and interest rate risk.

a) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group has no interest bearing liabilities as on the balance sheet date.

b) Foreign currency risk

During the current financial year the group has not done any transactions with other countries or in other currencies due to which the group is not exposed to any foreign currency risk.

iv) Capital management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The Group monitors capital using gearing ratio, which is net debt (borrowings less cash and bank balances) divided by total equity.

Net debt-to-equity ratio as of 31st March 2026

Particulars	31st March 2026	31st March 2025
Short Term Borrowings	355.87	305.48
Long Term Borrowings	34.22	115.21
Gross Debt (A)	**390.09**	**420.69**
Less: Cash & Bank Balance	1.63	67.87
Net Debt (B)	**388.46**	**352.82**
Total Equity (C)	2,277.12	2,329.59
Gearing Ratio (B)/(C)	**17.06%**	**15.15%**

(Rupees in Lakhs)

35. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

An Operating Segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

Manufacturing & Trading in Textile is the Company's only business segment ,hence the disclosure of segment wise information as required by Ind AS 108 on "Segment Reporting" is not applicable. Further, there are no export sales and hence there is no reportable secondary segment as per Ind AS 108.

36. Employee Benefits

The provision of gratuity is not made by the Company. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of law, the same will be accounted for cash basis. Also, as per the company's policy, paid absences not utilised for the year are lapsed, hence the provision for the paid absences is not applicable to the company.

37. Audit Trail

The Group uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

38. Note on New Labour Code

On November 21, 2025, the Government of India notified four new Labour Codes (the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020), consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact arising from changes in regulations and the Company has assessed and accounted for the incremental impact of these changes in accordance with the guidance provided by the Ministry of Labour & Employment and the Institute of Chartered Accountants of India. Based on its assessment, the Company has considered and evaluated the impact of the new Labour Codes and concluded that there is no material impact on its financial statements.

39. Disclosure Regarding Derivative Instruments and Unhedged Foreign Currency Exposure

i) The Group does not have any Foreign currency exposures which is not covered by derivative instruments or otherwise as at March 31, 2026 & March 31, 2025.

ii) The Group does not have any outstanding foreign currency derivative contracts as at March 31, 2026 & March 31, 2025 in respect of various types of derivative hedge instruments and nature of risk being hedged.

iii) The Group does not enters into derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

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

(Rupees in Lakhs)

40. Group Companies considered in the consolidated Financial Statements

Name of Company	% of Holding	Relationship	Country Incorporation	Method of Accounting
Stitched Textiles Limited	49.82%	Associate Company	India	Equity Method

Summarised Financial Position of Group's Investment in Associate Stitched Textile Limited

Particulars	31st March 2026	31st March 2025
Non Current Assets		
i) Financial Assets	1,896.68	1,717.93
ii) Non Financial Assets	407.19	489.08
Total Non Current Assets (A)	**2,303.87**	**2,207.01**
Current Assets		
i) Cash & Cash Equivalents	199.31	129.82
ii) Others	10,949.51	7,928.00
Total Current Assets (B)	**11,148.82**	**8,057.82**
Total Assets (A+B)	**13,452.69**	**10,264.83**
Non Current Liabilities		
i) Financial Liabilities	551.81	596.30
ii) Non Financial Liabilities	-	7.36
Total Non Current Liabilities (A)	**551.81**	**603.66**
Current Liabilities		
i) Financial Liabilities	10,147.97	6,129.80
ii) Non Financial Liabilities	1,187.48	1,557.59
Total Current Liabilities (B)	**11,335.45**	**7,687.39**
Total Liabilities (A+B)	**11,887.26**	**8,291.05**
Total Equity (Net Assets)	**1,565.43**	**1,973.77**
Total Equity & Liabilities	**13,452.69**	**10,264.82**
Contingent Liabilities and Capital Commitments	**97.13**	**91.81**

Summarised Financial Result of Group's Investment in Associate Stitched Textile Limited

Particulars	31st March 2026	31st March 2025
Revenue	3,009.87	3,872.93
Other Income	95.51	221.37
Total Income	**3,105.38**	**4,094.30**
Purchases of Stock-in-Trade	3,901.88	3,910.97
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(1,254.96)	(285.20)
Employee Benefit Expense	227.29	278.19
Depreciation & Amortisation	90.03	40.94
Finance Costs	89.82	92.38
Other Expense	355.61	375.78
Total Expense	**3,409.67**	**4,413.06**
Profit / (Loss) Before Tax	**(304.29)**	**(318.76)**
Provision for Tax	4.94	-
Tax Adjustments of Earlier Years	(0.73)	0.29
Deferred Tax	(13.35)	7.36
Profit / (Loss) After Tax	**(295.15)**	**(326.41)**
Other Comprehensive Income	-	-
Total Comprehensive Income	**(295.15)**	**(326.41)**

(Rupees in Lakhs)

41. Disclosure of additional information pertaining to Group Companies as per Schedule III of the Companies Act, 2013

Name of Group Company	Net Assets (Total Assets - Total Liabilities)		Share in Profit / (Loss)	
	As % of Total Consolidated Net Assets	Amount	As % of Total Profit / (Loss)	Amount
Parent				
Yarn Syndicate Limited	114.47%	2,606.51	(180.24%)	94.57
Associate				
Stitched Textiles Limited	72.68%	1,655.09	280.26%	(147.05)
Adjustments arising out of consolidation	(87.15%)	(1,984.48)	0.00%	-
Total	**100.00%**	**2,277.12**	**100.00%**	**(52.47)**

42. Events Occuring after the reporting period

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of the date of signing of this financial statements, there were no subsequent events to be recognised or reported that are not already disclosed.

43. Previous Year's figures have been regrouped and reclassified, wherever necessary to correspond with the current year's classification/disclosure.

44. The Consolidated financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors and are subject to final approval by its Shareholders.

As per our report of even date attached

For, S S R V & Associates
Chartered Accountants
Firm Registration No.: 135901W

Vishnu Kant Kabra
(Partner)
Membership No.: 403437

Place: Mumbai
UDIN: 26403437MWQZEH3052
Date: 28th May 2026

For and on behalf of the Board of directors of
Yarn Syndicate Limited

Ravi Pandya
Managing Director
DIN: 09509086

Tarachand Agrawal
Director
DIN: 00465635

Dharmesh Tripathi
(Chief Financial Officer)

Shrasti Dubey
(Company Secretary)

Place: Ahmedabad
Date: 28th May 2026